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# ***Daily Report***

## **China**

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# Daily Report China

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## General

**Nonaligned Movement To Set Up Cambodia Committee**  
*OW0909101188 Beijing XINHUA in English*  
0546 GMT 9 Sep 88

[By Yu Yuanjiang]

[Text] Nicosia, September 9 (XINHUA)—The 101-member Nonaligned Movement (NAM) will probably set up at its current foreign ministers' conference here a committee on Kampuchea, which will comprise 12 or 13 countries, according to a senior Singapore diplomat.

The composition of the new committee will be geographically balanced and will also reflect the different tendencies in the movement, Ambassador Kishore Mahbubani, leader of the Singapore delegation to the ministerial conference, said in an exclusive interview with XINHUA here today.

Mahbubani confirmed that Singapore and Malaysia had expressed their interest in joining the committee. But he declined to name other possible candidates for the committee.

Nevertheless, a conference source said that in addition to Singapore and Malaysia, Yugoslavia, Peru, Algeria, Indonesia, Laos, Cuba, Vietnam, India, the Palestine Liberation Organization, and Zimbabwe have almost been settled to enter the committee and Zimbabwe, current chairman of the Nonaligned Movement, will also be the chairman of the committee.

As to the group of six comprising the last six countries mentioned above, which had meetings in India and Zimbabwe to put forward a recommendation on the Kampuchea problem to the NAM conference, Mahbubani said it is just an advisory group and not a committee of the Nonaligned Movement. He added that this advisory group will be dissolved when the conference concludes.

The best way to solve the Kampuchea problem is to settle many other issues on Afghanistan, West Sahara and South Africa at the same time, he said. He added that it should be done with the help of the United Nations, especially the UN secretary general because the UN and the UN secretary-general are acceptable to all parties.

He said the Nonaligned Movement can probably help the UN and the UN secretary general to find a solution as the members of the Nonaligned Movement make up two-thirds of the UN membership. The ambassador said the main obstacle to the solution of the Kampuchea problem is Vietnam's refusal to withdraw its troops faster from Kampuchea and its reluctance to engage in serious negotiations with all other parties to find an early political settlement.

He said the second obstacle is the question of Khmer Rouge, because the international community is concerned about what would happen if the Khmer Rouge came back to power.

"But," he said, "our main fear is that Vietnam is trying to use this excuse of Khmer Rouge to stay longer in Kampuchea instead of cooperating with the international community by having serious discussion on what can be done to ensure that the Khmer Rouge would not come back into power." "Vietnam is using it for propaganda and also using it as an excuse for staying longer in Kampuchea," he added.

Mahbubani said it is a very positive signal that Zimbabwe, the chairman of the Nonaligned Movement, has taken initiatives to solve the Kampuchea problem. This reflects a universal desire to solve the problem as quickly as possible, he said.

He said the pressure on Vietnam is now increasing because the Nonaligned Movement takes an initiative on Kampuchea, and the NAM principles do not allow a foreign occupation.

But, Mahbubani said the Nonaligned Movement has a problem in taking a position on Kampuchea because Vietnam is also a member of the organization. He said this undermined the credibility of the movement because any decision that the movement has to make requires the consent of Vietnam. This is why the movement has not been able to criticize Vietnam.

He believed that a solution will be found within a year or two. This is not because Vietnam decided on its own to withdraw its troops from Kampuchea, but because the Soviet Union has told Vietnam that it can no longer support Vietnam in its occupation of Kampuchea and the Soviet Union has asked Vietnam to withdraw its forces. "So Vietnam has to withdraw its forces," the Singapore official said.

**U.N. Countries Pledge Cambodia Humanitarian Aid**  
*OW0909052788 Beijing XINHUA in English*  
0108 GMT 9 Sep 88

[Text] United Nations, September 8 (XINHUA)—More than 3.7 million U.S. dollars and 2 million Swiss francs (about 3.12 million U.S. dollars) were pledged today at the donors' meeting for the Kampuchean humanitarian assistance programs.

Of those contributions, 2.2 million dollars was pledged by Japan and 1.5 million dollars by the United States. Switzerland pledged 2 million Swiss francs. Greece, Brunei, Dar es Salaam and Indonesia each offered 10,000 U.S. dollars. Austria and Japan also pledged food aid.

Before the pledges were announced, Shah A.M.S. Kibria, special representative of the U.N. secretary-general for Kampuchean assistance programs noted that until a

political settlement of the Kampuchean problem has been reached. "There is no alternative but to continue efforts to assist the more than 300,000 persons at the border by providing them with basic necessities."

Nit Phibunsongkhram, permanent representative of Thailand to the United Nations, expressed his government's readiness to cooperate with the United Nations and the international community to bring relief to the refugees.

However, he said, a lasting solution to the refugee problem would only be possible when there was a total withdrawal of foreign forces from Kampuchea, enabling the Kampuchean people to exercise their right to self-determination.

A representative of the Coalition Government of Democratic Kampuchea thanked the donor countries for their humanitarian assistance given to their compatriots located in Thailand.

**U.S. Delegation Arrives in SRV for MIA Talks**  
*OW1209195488 Beijing XINHUA in English*  
1506 GMT 12 Sep 88

[Text] Hanoi, September 12 (XINHUA)—A U.S. delegation headed by Lieutenant Colonel John Harvey arrived here today for talks on "details" of joint searches for some 1,700 U.S. soldiers missing in action (MIA) during the Vietnam war.

The joint search program was proposed in July but was suspended later by Hanoi who accused the U.S. State Department of "political hostility" towards Vietnam.

At the end of August, however, the Vietnamese Government agreed to resume the joint search for 70 MIA's which Washington considered as "priority" cases.

Since the MIA searches began in 1982, remains of 241 dead servicemen were restituted to the United States among which 152 have been formally identified as being the bodies of U.S. citizens.

**U.N. To Provide Ecological Aid to Guizhou**  
*OW1309192188 Beijing XINHUA in English*  
1556 GMT 14 Sep 88

[Text] Beijing, September 13 (XINHUA)—The United Nations is aiding three counties on the upper reaches of the Yangtze River to curtail soil erosion and improve ecological conditions.

Starting from this year, the joint UN/FAO World Food Program will offer 23 million U.S. dollars worth of wheat over five years to Puding, Zhijin and Nayong Counties in Guizhou Province in southwest China. The area is one of the poorer areas of China, which only has one percent tree coverage and where people have to live on the state subsidies for grain.

The first batch of wheat has already arrived in Zhanjiang port, Guangdong Province.

The U.N. donation is intended to fund afforestation and transform farmland.

A local official said the UN/FAO World Food Program began to aid the upper reaches of the river in water conservation in 1983.

Hongxian, a county in Sichuan Province, has already completed an afforestation program.

**Global Fund-Raising Run Begins at U.N. 11 Sep**  
*OW1109213388 Beijing XINHUA in English*  
1836 GMT 11 Sep 88

[Text] United Nations, September 11 (XINHUA)—A global children's fund-raising run called "Race Against Time" started at 11 a.m. (local time) today when famous Sudanese olympic runner Omar Khalifa, followed by about 200 children from over 100 countries, carried the sport aid '88 flame to the United Nations Headquarters and lighted a cauldron in front of the U.N. building.

Two Chinese children, 13-year-old pupil Huang Yue from Shanghai and 14-year-old pupil Zhuang Jijin who arrived in New York last night, took part in the lighting ceremony.

While receiving the 200 children at the United Nations just prior to the opening of the ceremony, U.N. Secretary General Javier Perez de Cuellar told them: "The future is yours. We are working for us and eventually for you. The United Nations is working for peace and peace needs your efforts."

Chris Long (Briton), chairman and founder of the "Race Against Time", told XINHUA that he launched this campaign in 1986 to help the world's sick, hungry and homeless children. Every year about 50 million children died, mostly in developing countries, he said.

According to Long, around 50 million children in 128 countries began to run simultaneously today. Thirteen million Chinese children took part in the run in their own country.

This year the funds raised by "The Race Against Time" will also be used to help victims of the devastating floods in Bangladesh, where millions of children are homeless and have been cut off from food and clean drinking water.

In 1986 more than 20 million people in 89 nations joined in the global race and raised 36 million U.S. dollars for famine relief in Africa.



**International Arts Festival Planned in Guangdong**  
*OW1309145688 Beijing XINHUA in English*  
*1314 GMT 13 Sep 88*

[Text] Beijing, September 13 (XINHUA)—Nearly 600 Chinese and foreign performing artists, including Soviet prima ballerina Ulanova and leading Japanese ballerina Matsuyama Mikiko, have been invited to perform at the Shenzhen-Zhuhai international arts festival, to be held from May 5 to 15 next year.

Lu Zhixian, executive chairman of the festival, said at a press conference here today that the festival's preparatory committee has invited art troupes and individual performers from over 20 countries in Asia, Africa, North and South America, Europe and Oceania.

Among them, there will be an American Broadway tap dancing group, an Argentine tango troupe, flamenco dancers from Spain and a number of outstanding singers and magicians from other countries.

During the festival, he said, Chinese and foreign artists will stage classical and modern ballet, national and folk music, modern dances and music of different schools, magic and mime shows, and other performances.

The Chinese Government attaches great importance to the festival, Lu said. Gu Mu, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, has been invited to serve as the honorary chairman of the festival, and Zhu Muzhi, chairman of the Chinese Association for Cultural Exchanges with Foreign Countries, has been elected chairman.

During the festival, he said, the sponsors will hold an exhibition of arts and crafts, an exhibition of costumes and ornaments of China's ethnic minorities, an arts and crafts sale, a book fair, and business talks and discussion of various kinds.

"The preparatory committee warmly welcomes foreign friends, overseas Chinese, arts groups and compatriots from Taiwan, Hong Kong and Macao, and also people in business circles both at home and abroad to the festival," Lu said.

Officials from foreign embassies in Beijing and Chinese and foreign journalists attended today's press conference.

**United States & Canada**

**U.S. Approves Chinese Rockets in Space Launches**  
*HK1409033688 Hong Kong TA KUNG PAO*  
*in Chinese 14 Sep 88 p 2*

["Political Talk" column by Shih Chun-yu (2457 0689 3768): "The U.S. Government Approves China Launching Satellites on Behalf of the United States"]

[Text] The U.S. Department of State announced on 9 September that the U.S. Government had formally permitted the U.S. Hughes Corporation and other enterprises to use Chinese rockets for launching three U.S.

communications satellites. The first communications satellite is for use in the Asian region and will be launched next year. The other two are for use in the Oceanian region and will be launched in 1991 and 1992 respectively.

The world has a high opinion on China's manufacture of rockets, the functions of its rockets, as well as its launching technology. Recently, the Taiyuan launching center successfully launched into space a polar track meteorological satellite named "Fengyun No 1" by means of the "Changzheng No 4," a new-type rocket with a stronger propelling force. The satellite is operating well in synchrony with the sun. This indicates that China has acquired high accuracy and reliability in rocket and space flight technology.

Over the past few years, foreign enterprises have discussed with China the problem of China launching satellites on their behalf. They include U.S. and West European enterprises. They know very well that the design of Chinese rockets is practical and reliable, that the successful launching rate is high, and that the costs are low. These three conditions are very important, particularly quality and technology. Low costs alone are not of much help.

Recently, some U.S. protectionists and enterprises advised some senators to raise a motion in Congress to oppose China's launching satellites for U.S. enterprises because, as they asserted, this will affect the profits of U.S. enterprises. The U.S. Government, however, pointed out the necessity of assisting Sino-U.S. cooperation. This decision corresponds to the spirit of international cooperation. Naturally, if China's space flight technology had not reached an advanced world level, it would have been impossible for its carrier rockets to enter the international market.

This situation suggests that transactions can be concluded only on the basis of mutual needs and mutual benefit. Undoubtedly, the Chinese should be proud of the fact that their carrier rockets have entered the international market. Needless to say, this will increase the country's foreign exchange earnings, but what is more important is that it has boosted the morale of the Chinese people and encouraged them to continue their march toward advanced science and technology.

Hu Chiu-yuan, member of the Taiwan Legislative Yuan and distributor of the CHUNGHUA magazine, pointed out upon his arrival in Beijing that the CPC has strength, and gave examples of its achievements in nuclear science and technology. Evidently, achievements made since the founding of New China are unerasable. He added that Taiwan has also made achievements and has become one of the "four small dragons" in Asia because of its economic successes. Of the "four small dragons," the citizens of Taiwan and Hong Kong are Chinese, and 75 percent of the citizens in Singapore are Chinese descendants. So it is obvious that Chinese are industrious, can

use their brains, and are "quick-witted" in making money. But because the Chinese mainland pursued a wrong line for as long as 20 years, its culture and economy have not been able to develop to the required level. Now it has to make up for the losses by reform and opening up to the world and by the theory on the "initial stage of socialism." First it has to devote great efforts to catching up with the "four small dragons," otherwise it will find it difficult to explain what it has done.

It should take an honest attitude. If you can, you can; if you cannot, say you cannot. Yesterday Zhao Ziyang said to the author of the "Third Wave": "In the course of reform and opening up to the world, China will make great efforts to develop science and technology and will pursue the high technology of developed countries so that it will be able to apply their achievements in the next century." He pointed out: "For China, the new technological revolution is both an opportunity and a challenge. If it does not do well, the gap between China and developed countries will be bigger." These are the actual conditions in China today.

China's rockets and satellites have reached world levels. This successful experience should be summed up and applied to other scientific and technological fields. Thoughts should be given to developing production by means of science and technology and to developing China's economy by means of Western experience. Once a correct line is formulated, the road to prosperity will certainly be found out.

#### **Aid Planned for Yellowstone Firefighters**

OW1409104188 Beijing XINHUA Domestic Service  
in Chinese 0703 GMT 14 Sep 88

[Text] Beijing, 14 Sep (XINHUA)—A XINHUA reporter has learned from the National Forest Fire Prevention Headquarters today that since the forest fires at Yellowstone National Park have lasted 2 months, the relevant Chinese departments have showed great concern and plan to donate 200 sets of high quality wind-driven Chinese fire extinguishers to the United States in order to help put out the fire as quickly as possible and reduce fire-related losses.

China also plans to dispatch an expert team to the United States in order to brief American firefighters on the functions of those wind-driven fire extinguishers so that they can be put into operation promptly. Those wind-driven fire extinguishers are not bulky but are very effective in putting out fires. They played an important role in putting out China's massive forest fire in the Daxinganling forest area last year. China will also dispatch a group of well-trained forest firefighters to the fire site if the U.S. Government wants them.

A responsible official of the National Forest Fire Prevention Headquarters said that the Chinese side has sent staff members to meet with American Embassy personnel regarding the matter.

#### **Zhao Meets U.S. Futurist Alvin Toffler**

OW1309144688 Beijing XINHUA in English  
1430 GMT 13 Sep 88

[Text] Beijing, September 13 (XINHUA)—Zhao Ziyang, general secretary of the Chinese Communist Party Central Committee, met here this afternoon with U.S. futurist Alvin Toffler, author of a world-famous book "The Third Wave."

Zhao briefed Toffler on China's political and economic situation and said, "The new technological revolution constitutes a chance as well as a challenge for us."

"If this is not done," he continued, "the gap between us and the developed countries will become wider and we will lag far behind."

Zhao said that China will strive to develop its science and technology and follow closely the high-tech progress of the developed countries in a bid to apply their results in the next century.

Zhao said the current reform aims to instigate effective capitalist management under the socialist system.

Toffler said China is creating a new model by marching down its own road and not copying others.

Zhao said China's economic reform is intended to build a socialist commodity economy and the political reform is intended to create a socialist democracy.

Democracy cannot be separated completely from economic development, Zhao said. He stressed the importance of maintaining stability and unity in China, saying that "it's impossible to have stability or unity without democracy while democracy without leadership will affect stability and unity."

Also present at the meeting was Tan Wenrui, editor-in-chief of the "PEOPLE'S DAILY."

#### **Qian Qichen Confers With U.S. Ambassador to UN**

OW1309181988 Beijing XINHUA in English  
1449 GMT 13 Sep 88

[Text] Beijing, September 13 (XINHUA)—Chinese Foreign Minister Qian Qichen met with U.S. Ambassador to the United Nations Vernon Walters here today.

Walters, who arrived September 11, is here to discuss issues concerning the U.N. with the Chinese side.

**Chinese, American Scholars Discuss Economic Reform**  
*OW1409134688 Beijing XINHUA in English*  
0826 GMT 14 Sep 88

[Text] Shanghai, September 14 (XINHUA)—Problems and prospects for China's economic reform is the leading topic of an ongoing seminar attended by 40 outstanding American and Chinese scholars.

The four-day conference, which opened in Shanghai Tuesday, is being co-sponsored by the Cato Institute, an influential think-tank in the United States, and Fudan University here.

The discussion covers prospects of China's economic reforms, its existing ownership setup and the problems of inflation and price reform.

The American scholars, including Nobel laureate Milton Friedman, were all fully in favor of total, radical and rapid decentralization of the economy.

Friedman compared decentralization of the economy to cutting a dog's tail—the more quickly it is done, the less painful it is.

He said inflation is not caused by decentralization but by an excessive money supply. The only way to solve the problem is to cut back on credit to state-owned enterprises through privatization, thus forcing them to raise their own funds.

But he said he was not sure whether the approach was a practical one in political terms.

Pu Shan, director of the World Economics and Political Research Institute under the Chinese Academy of Social Sciences, said the economic reform must be undertaken gradually in order to avoid chaos and ensure continued economic growth. But he did acknowledge that the approach had resulted in some problems, including the simultaneous existence of two price systems.

China would not adopt complete privatization of state enterprises, but instead would introduce a share-holding ownership system to separate that function from managerial autonomy, Pu said.

The influence of China's economic reform goes far beyond China's boundaries and will become an international issue toward the 21st century, said Edward H. Crane, president of the Cato Institute, at a dinner party held yesterday evening to mark the opening of the seminar.

**RENMIN RIBAO Views U.S. Election Campaign**  
*HK1409063788 Beijing RENMIN RIBAO in Chinese*  
10 Sep 88 p 6

["Newsletter from America" by RENMIN RIBAO reporter Jing Xianfa (2529 2009 3127) dispatched from Washington on 7 September: "U.S. General Election Enters a Crucial Stage"]

[Text] After Labor Day of the election year in the United States, the campaign activities of Bush and Dukakis entered a crucial stage. After the Republican convention in New Orleans, the popularity rating of Bush rose sharply, and now he runs neck in neck with Dukakis in the opinion polls. As there are only 9 weeks before the election day (8 November), the rivalry between Bush and Dukakis will move into full gear as the decisive battle is being fought.

In the overall campaign situation, Democratic presidential candidate Dukakis is on the offensive. In the economic aspect, he denounced the economic policy of the Reagan administration as being full of loopholes like "Swiss cheese" and criticized the government of the Republican Party for lowering the living standards of ordinary families in the United States. He put forward a slogan of "economic patriotism" aimed at restricting foreign investment in the country. On social issues, Dukakis stands for protecting the freedom to have abortions, opposing compulsory prayer before school classes, advocating government incorruptibility, safeguarding the rights of the national minorities, and more strictly controlling the use of guns. In foreign and defense affairs, he stresses the need to adapt the country to the new international order, reduce interference in the affairs of Third World countries, and reduce MX missiles.

Although Republican presidential candidate Bush is still on the defensive, the current situation is favorable to him. The economic growth that has lasted for 69 months marks the longest period of growth in the postwar period. The depreciation of the U.S. dollar has obviously reduced the trade deficit and controlled unemployment to a low level. In addition, the tax reform and the signing of the U.S.-Soviet INF Treaty during the tenure of the Reagan administration can all be capitalized on by Bush in his campaign.

In the previous stage of the trial of strength, the two candidates fiercely attacked each other over some less important issues. Bush selected Quayle as his campaign partner, and the mass media thus questioned whether Bush "has the judgment that a president should have." Recently, the media exposed the pollution phenomenon along the northeast coast and the pollution incident in Boston, and this made Dukakis flat-footed. By taking advantage of these events, Bush made a mockery of Dukakis' "Massachusetts Miracle" by calling it a "Massachusetts Mirage."



At present, Bush and Dukakis generally have equal shares of "spheres of political influence." The northeast states are the base of Dukakis, and people who support Bush are mainly residents in southern and western states along the Rocky Mountains. They must win over the voters in California, Texas, and the Midwest states, and the voting results in these states will be of decisive significance.

From now on, Dukakis and Bush will focus their competition on winning over voters who have loose relations with both parties. Such people are mainly male, urban residents not having a higher education. They account for about one-third of the country's voters. Some analysts hold that since the voters with Democratic Party's affiliation who supported Reagan in the previous two elections may move back to the Democratic camp this time, it is crucial for Bush to successfully maintain their continuing support for the Republicans. In addition, Bush's popularity among women is lower than Dukakis'.

Dukakis' next attack target will be the adverse effects of Reagan's economic policy on the middle class. At present, the middle class is concerned about the increase in school tuition fees, the difficulties in getting baby-sitting services, environmental pollution, drug abuse, and foreign investment inroads, so the welfare policy put forward by Dukakis will be rather appealing to them. Some analysts hold that after losing confidence in the Reagan administration, many people in the middle class are very likely to place their hopes on Dukakis for solving these problems.

Even so, Bush still enjoys many advantages. In the short period before the election day, it is not possible that major setbacks will appear in the general economic growth situation. Moreover, the U.S. and Soviet leaders will probably hold a meeting during the UN General Assembly this fall, the space shuttle will be launched again, and American athletes will win gold medals in the Olympic Games. All these things can become favorable factors for Bush. Of course, if anything unexpected occurs, Bush may also have a set back.

As the election day draws near, the rivalry between Dukakis and Bush will become more and more intense. People will see who becomes the new master of the White House in 9 weeks.

**'Roundup' Compares Bush, Dukakis Differences**  
OW1409061088 Beijing XINHUA in English  
0257 GMT 14 Sep 88

["Roundup: Differences on Major Issues Between Bush and Dukakis (by Bao Guangren)"]—XINHUA Headline]

[Text] Washington, September 13 (XINHUA)—The U.S. 1988 presidential campaign is viewed by some as an "issueless wonder" with no compelling, epochal disputes

so far driving the electorate. However, major differences do exist between Republican Presidential Candidate George Bush and Democratic Presidential Candidate Michael Dukakis.

On budget, deficit and taxes, Bush supports balanced budget amendment and the Gramm-Rudman deficit-reduction law. He pledged he would never increase tax and has proposed a half-dozen new programs based on new tax breaks, including reducing the capital gains tax from a top rate of 33 to 15 percent.

His rival Dukakis opposes the balanced-budget amendment. He said he wants spending restraint, though he won't specify any cuts outside the Pentagon, and said stricter tax enforcement should be tried before a tax hike is considered—he does not rule out to consider one.

On drugs, Bush said he would continue the current coordination of federal, state and local agencies' fight against drug trafficking, and favor the death penalty for drug kingpins.

Dukakis advocated a cutoff of aid to governments that assist traffickers and financiers. He opposed capital punishment for the drug kingpins and favored restoration of aid to state and local governments.

On child care, Bush favored the creation of refundable toddler tax credit of up to 1,000 dollars per child under age 4 for low-income families.

Dukakis advocated a day-care-partnership project in which government and private sector would provide more child-care services.

Bush opposed abortion except in cases of rape and incest and when the mother's life is in danger.

Dukakis favored women's right to free choice and opposed constitutional amendment to outlaw abortion and would not veto federal funding to help poor women pay for abortions.

On defense and foreign policy, Bush has taken the standard Republican line on missiles both out of conviction and for political effect. He supported development of both rail-mobile MX and Midgetman until choice becomes necessary and opposed a total test ban.

He pledged development of the Star Wars project and advocated assertive American role abroad. He backed U.S. intervention in Grenada, Libya and the Persian Gulf.

Dukakis favored cutting research on the Star Wars program from the present 4 billion dollars a year to as little as one billion dollars a year. While supporting D-5 sub missile and Stealth bomber, he opposed mobile MX and Midgetman missiles and advocated an expanded conventional forces.

He favored a total nuclear testing ban and approved U.S. military moves in Libya and the Persian Gulf, but preferred multilateral action for peace-keeping.

Bush supported both military and humanitarian aid to the Nicaraguan contras and called stronger sanctions against South Africa self-defeating and backed aid to Angolan rebels.

Dukakis opposed U.S. aid to the Nicaraguan rebels and favored negotiated peace in Central America. He advocated tougher sanctions against South Africa and called South Africa a "terrorist state." He favored no assistance to Angolan rebels.

**Permits for Export of Pandas to U.S. Suspended**  
*OW1309143288 Beijing XINHUA in English*  
1318 GMT 13 Sep 88

[Text] Beijing, September 13 (XINHUA)—China has suspended issuing export permits for pandas and snub-nosed monkeys to the United States for exhibition so as to protect the endangered species.

An official at the Endangered Species of Wild Fauna and Flora Import and Export Administrative Office told XINHUA that more and more Americans have asked China in the past few years for pandas and snub-nosed monkeys to display in the United States.

The Chinese side, he said, has met the needs of some American organizations, zoos and celebrities to offer more Americans opportunities to see the rare animals with their own eyes.

However, he continued, such requests have become too numerous. Some U.S. organizations have asked for a ban on such activities.

**Zhejiang Governor Visits New Jersey**  
*OW1409023688 Hangzhou Zhejiang Provincial*  
Service in Mandarin 0400 GMT 13 Sep 88

[Text] A Zhejiang art troupe composed of outstanding members of the Zhejiang folk music group and the Hangzhou acrobatic group, gave a performance in New Jersey in the United States while Zhejiang Province was holding an export commodity fair there. It successfully premiered and won warm applause at (Morris College) on 7 September.

At the end of the performance, Governor Kean of New Jersey, accompanied by Zhejiang Governor Shen Zulun, ascended the stage to present flowers to the troupe and congratulate it on the successful performance. Dr (Yawaid), president of (Morris College), presented a large silver plate to the troupe. The American audience praised the performance as excellent.

**Shanghai, Quebec Youths Plan Television Dialogue**  
*OW1309073888 Beijing XINHUA in English*  
0639 GMT 13 Sep 88

[Text] Ottawa, September 12 (XINHUA)—The youths from Quebec and Shanghai, China, will have an interesting dialogue through satellite telecommunication system, an official of the Quebec Broadcasting Corporation said today.

Public Relations Director of the Quebec Broadcasting Corporation Andre Beaudet said 30 people aged from 15 to 22 from Quebec and the same number from Shanghai will talk for two and a half hours in the television screen, while they are tens of thousands of miles away.

In the program, co-sponsored by the Quebec Broadcasting Station and the Shanghai Television Station, the Chinese and Canadian youths will discuss three topics: the daily life or habits, love and future.

The discussion will involve their relations with parents, grandparents, brothers and sisters; their understanding of music, fashions, the outside world and importance of studying in schools; and their views upon love, the world, ego and self cause.

The 60 youngsters participating in the dialogue are chosen through competitions, Beaudet said. They are ambitious and full of vigour.

Three participants from each group will visit the others' country. They will have direct talks and activities with the local young people, which will become part of the program.

The program will be broadcast in Shanghai and Quebec simultaneously in late October or early November. The audience is expected to be as much as tens of millions.

**Soviet Union**

**USSR To Urge Global Peace System at UN Session**  
*OW1409001188 Beijing XINHUA in English*  
1631 GMT 13 Sep 88

[Text] Moscow, September 13 (XINHUA)—The Soviet Union stands for the formation of a comprehensive system of peace and security at the 43rd UN General Assembly session, a senior Soviet official said here today.

Soviet Deputy Foreign Minister Vladimir Petrovskiy told a press conference that such a system would ensure the primacy of politics, law and morals.

The Soviet Union regards the creation of the system as "the global program of modernization and revival of the United Nations organization," he said.



Attention at the forthcoming session should be concentrated on three problems: the international law primacy, enhancing the role of the main UN agencies, and UN peace-keeping operations, Petrovskiy said.

Soviet Foreign Minister Eduard Shevardnadze will head the Soviet delegation to the UN session.

**Pulp Factory Built Jointly With USSR Slated**  
*HK1409132788 Beijing CEI Database in English*  
14 Sep 88

[Text] Beijing (CEI)—China and the Soviet Union will jointly build a modern pulp factory in China and a co-operation contract for this has been signed recently.

Jointly invested by China's Ministry of Light Industry and the Soviet Ministry of Timber, the factory will produce 250,000 tons of bleached pulp a year and will be the largest light industry joint venture in China.

China's investment will come from raised funds and the technological equipment will be bought through tendering in the international market. The Soviet partner will supply the wood pulp from Siberia.

**Beijing Meeting Marks Tolstoy's Birthday**  
*OW1309183688 Beijing XINHUA in English*  
1558 GMT 14 Sep 88

[Text] Beijing, September 13 (XINHUA)—A commemorative meeting was held here this afternoon to mark the 160th anniversary of Russian writer Lev Tolstoy's birthday.

Almost all of the author's major works have been translated into Chinese, said Zhang Jie, a researcher from the Foreign Literature Institute under the Chinese Academy of Social Sciences. He added that Chinese literary researchers have held major conferences and published volumes of research papers on the study of Tolstoy in recent years.

He expressed the hope that Chinese and Soviet Tolstoy scholars will conduct more exchanges in future.

Also speaking at the meeting, V.P. Fedotov, the Soviet charge d'affaires, said shared study and knowledge of Tolstoy will help to promote mutual understanding between the two countries and peoples.

The meeting was jointly organized by the Chinese People's Association for Friendship With Foreign Countries, the Sino-Soviet Friendship Association, the Foreign Literature Institute, the Institute of Soviet Literature and the Chinese Writers' Association.

**Northeast Asia**

**Yang Shangkun Holds Talks With Kim Il-Song**  
*HK1409030688 Beijing RENMIN RIBAO*  
in Chinese 11 Sep 88 p 1

[Report by Gui Tongchang (2981 6639 2490) and Xu Baokang (1776 1405 1660): "Yang Shangkun and Kim Il-song Hold Talks Again"]

[Text] Pyongyang, 10 Sep (RENMIN RIBAO)—President Yang Shangkun had another cordial talk with his Korean counterpart Kim Il-song this morning at Pakhuawon Guesthouse where he is staying.

At 1000, President Kim Il-song came to Pakhuawon Guesthouse by car. He asked President Yang: "Are you tired?" Yang answered: "Having been treated so kindly and warmly, we do not feel tired at all." President Kim was pleased at that. After exchanging greetings, the two leaders walked into the meeting hall together.

President Kim Il-song briefed Yang on the situation of the DPRK's economic construction, and the latter extended congratulations on the achievements of the Korean people in their construction. Both sides also exchanged views on easing the tension on the Korean Peninsula and on a political solution to the Cambodian question and other international issues of mutual concern.

Also present at today's talks were Yan Mingfu, secretary of the Secretariat of the CPC Central Committee, Qian Qichen, member of the CPC Central Committee and Chinese foreign minister, Kim Yong-nam, Korean vice premier and foreign minister, and Kim Yang-kun, deputy director of the international department of the Central Committee of the Workers' Party of Korea.

**Qian Qichen Confers With DPRK Foreign Minister**  
*HK1409031488 Beijing RENMIN RIBAO*  
in Chinese 12 Sep 88 p 6

[Report by Xu Baokang (1776 1405 1660): "Chinese and Korean Foreign Ministers Hold Talks"]

[Text] Pyongyang, 11 Sep (RENMIN RIBAO)—Chinese Foreign Minister Qian Qichen, who is accompanying President Yang Shangkun on his visit to Korea, held friendly talks with DPRK Foreign Minister Kim Yong-nam at Pakhuawon Guesthouse this morning.

First, Kim Yong-nam thanked President Yang Shangkun for heading the Chinese party and government delegation taking part in the celebrations of the 40th anniversary of the founding of Korea and for making a friendly visit to his country.

Chinese Foreign Minister Qian Qichen expressed his thanks for the warm and friendly welcome and reception accorded by President Kim Il-sung and other Korean leaders as well as the Korean people.

During the talks the two foreign ministers exchanged views on easing the tension on the Korean Peninsula and other international issues of mutual concern.

Qian Qichen reiterated that China supports Korea's proposal of achieving national peace and reunification through North-South dialogue and consultations.

**Japan Says U.S. To Sell PRC Advanced Weapons**  
*OW1209090988 Tokyo KYODO in English 0813 GMT  
12 Sep 88*

[Text] Tokyo, Sept 12 KYODO—The United States pledged last week to provide China with antitank helicopters, antisubmarine torpedoes and radar systems, a Japanese defense official said Monday.

Seiki Nishihiro, vice administrative defense minister, told reporters that U.S. Assistant Defense Secretary Richard Armitage disclosed this during their meeting in Tokyo on Sunday.

Armitage was here on his way home from China where he accompanied Defense Secretary Frank Carlucci in an official six-day visit which ended Saturday.

While in Beijing, Carlucci met senior leader Deng Xiaoping, Defense Minister Qin Jiwei and other Chinese leaders.

Nishihiro quoted Armitage also as saying that although China and South Korea have economic and cultural contacts, they have still failed to establish diplomatic ones.

**Japan Plans 'East Asia Economic Circle' Strategy**  
*HK1409020788 Hong Kong LIAOWANG OVERSEAS  
EDITION in Chinese No 37, 12 Sep 88 p 28*

[Article by Wang Shuben (3769 2885 2609): "Japan Is Considering the Establishment of an 'East Asia Economic Circle'"]

[Text] Recently, Japanese newspapers and magazines have published many reports and articles about the economies of the "Four Little Tigers"—namely, South Korea, Taiwan, Singapore, Hong Kong, and of the other ASEAN countries. Symposiums on the so-called "Asian Economic Circle" and "Pan-Pacific Economic Circle" were held one after another. The central issue in these studies and discussions was Japan's role and position in the East Asian economy.

When non-official people were warmly discussing this issue, the relevant departments of the Japanese Government also stepped up their studies and formulated their

strategies and policies. In June of this year, the cabinet approved and published its "1988 Foreign Trade White Paper," which said that Asia is now "the base for the world's economic growth" and that Japan's international economic relations "will enter a new stage with Asia as their center." The document explicitly put forward a policy of "strengthening the interdependent economic relations with the Asian region." In addition, according to the reports of some Japanese newspapers, the Japanese Government has basically worked out the outline of its Asian economic strategy—that is, the idea about the so-called "East Asia Economic Circle."

The basic concept of the Japanese Government's Asian economic strategy formulated by the consulting organ for the Japanese prime minister and the Ministries of Foreign Trade and Foreign Affairs is based on an "open economic circle," which includes Japan, the "Four Little Tigers" in Asia, Thailand, Malaysia, the Philippines, Indonesia, and Brunei of the ASEAN. Thus, the economic circle will include 10 countries and regions with Japan holding a leading position and the "Four Little Tigers" following it and then the other ASEAN countries ranking behind. Such a "formation of wild geese" will promote the development of the regional economy. Therefore, Japan will give full play to its role as the leading goose by further strengthening its economic relations with the new industrial countries and regions. The concrete measures include lowering tariffs, increasing imports of industrial goods from these countries and regions, supporting their backward manufacturing industries, improving their direct investment environments, changing the trade imbalance situation, raising the exchange rate of the Japanese yen and eventually forming the "Asian Currency Unit" so that currencies in the economic circle are pegged together, gradually shifting the production bases to the ASEAN countries, carrying out technology transfers on a large scale, and providing substantial government assistance for development. All this will gradually form a regional economic community with a total population of 350 million people with close economic ties marked by division of labor and cooperation in industry.

It is said that Japan's enthusiasm for planning the "East Asia Economic Circle" indicates its desire to seek an international position corresponding to its substantial growth in economic strength and to prevent itself from being isolated under the situation in which the world economy is increasingly being regionalized and being divided into a number of major blocs.

Japanese scholars, experts, and businessmen almost all agree that Japan has developed into an economic power only next to the United States, so it can and also should play a leading role in the economic field in the Asian region. Kyoto University Professor Yano said: "The relative growth in Japan's presence in the world indicates that it is now possible for Japan to realize what it tries to do." In addition, the huge surpluses that Japan has enjoyed for many years in its trade with American

and European countries have led to intensifying trade frictions and the growth in the protectionist tendency in the American and European countries and in the regionalization of the world economy. The United States and Canada signed a free trade agreement to form a "North American Trade Zone." The European Community will also officially establish a united internal market in 1992. When facing this severe situation, it is a pressing task for Japan to find a new way to prevent itself from falling into an unfavorable position. Thus Japan worked out its ideal countermeasure, that is, to establish an economic community in the East Asian region, the "East Asia Economic Circle," which will match up to the economic communities in Western Europe and North America.

The rapid economic growth in the East Asian region and the closer economic ties in this region provide the necessary conditions for realizing Japan's plan to establish such an economic circle. In the 1960's and 1970's, the "Pan-Pacific Doctrine" and the idea about the "Asia-Pacific Economic Community" were in vogue in Japan, but people's interest in such ideas flagged very soon. In the 1980's, noticeable prosperity has appeared in Asia. After the "Four Little Tigers" succeeded in their industrialization, such ASEAN countries as Thailand and Malaysia also caught up very quickly. When the economic growth in other regions slowed down due to various constraints, the economic prosperity in the East Asian region became more prominent in the world. The decline in the economic strength of the United States not only makes it more difficult for Japan to increase its exports to the United States, but also forces the new industrial countries and regions, which traditionally relied on the U.S. market, to change their trade structures and increase their exports to Japan as the United States has removed the most-favored-nation treatment for them. This will strengthen trade relations in this region. At the same time, the substantial appreciation of the Japanese yen forced some Japanese industries to move to the new industrial countries and regions in Asia and to the ASEAN countries and to increase investment there. According to statistics by the Trade Development Council of Japan, Japan's direct investment in Asian countries in 1987 increased by 62.2 percent over that in the previous year, and in the same year, Japan's imports from the "Four Little Tigers" and the ASEAN countries increased by 52 percent and 18 percent respectively. Japan holds that these new changes will raise the "level of the division of labor" in these countries and the region, so an interdependent economic structure is in the making. It is very likely that the 21st century will be a "Century of Asia." In Asia, Japan will play a significant leading role.

Some observers pointed out that it is not easy to establish an "East Asia Economic Circle" with Japan playing a leading role there. First, there are still various contradictions and problems in the countries and regions inside this circle, and they need to be solved and coordinated. Outside Asia, the United States remains the No 1 economic power and still maintains major political,

economic, and military interests in Asia, although its economic strength is declining. It will not allow itself to be excluded from this "economic circle." China is a large country in East Asia, and is rapidly developing its economy by carrying out the reform and opening up policy and is developing its economic relations with the neighboring countries. Japan cannot dodge the issue of how to treat China when formulating its "economic circle" strategy. The biggest unfavorable factor is the heavy historical burdens that Japan cannot but bear. As all people know, during World War II, Japan flaunted the banner of building a "Great East Asia Co-prosperity Circle" to occupy other Asian countries with armed forces and tortured the people there. Now with Japan putting forward the idea of the "East Asia Economic Circle," people may easily associate it with their painful experience in history. Although Japan has taken various measures, such as sending the director of the defense agency to visit the ASEAN countries to express Japan's position of not turning itself into a military power or letting Prime Minister Takeshita make a promise to provide governmental assistance for development at a meeting with the ASEAN leaders, it will still take time to really remove people's misgivings and wariness.

The plan to establish the "East Asia Economic Circle" is still under consideration, and has not been taken openly as an established policy. Apart from this, the relevant institutions and social organizations in Japan have also put forward many other similar ideas and concepts with different scopes and concrete tactics. In general, it is certain that Japan now attaches greater importance to Asia and is trying to play the role of a big power in the Asia-Pacific region.

**Chen Muhua Meets Japanese Bank Executive**  
OW1309154288 Beijing XINHUA in English  
1303 GMT 13 Sep 88

[Text] Beijing, September 13 (XINHUA)—Chen Muhua, vice-chairwoman of the Standing Committee of the National People's Congress and honorary chairwoman of the board of directors of the Bank of China, met here today with Shiro Egawa, chairman of the Nippon Credit Bank, Ltd, and his party.

The Japanese guests arrived here September 8 on a visit to China at the invitation of the Bank of China.

**Tourism Development Exhibition To Visit Japan**  
OW0909152088 Beijing XINHUA in English  
1016 GMT 9 Sep 88

[Text] Beijing, September 9 (XINHUA)—China will take a tourism exhibition on the road in Japan beginning this October.

Major tourist cities in 12 provinces and municipalities and the China International Travel Service are participating in the exhibition, the largest of its kind China has ever put on.



Slides, photos, models, films and artifacts will be displayed to show the latest in tourist development.

There will also be folk arts, special tourist programs and demonstrations on cooking with Chinese medical herbs.

The exhibition, which is organized by the China National Tourism Administration and sponsored by the Seibu department store of Japan, will go to nine Japanese cities.

The number of Japanese tourists to China last year reached 577,700, one-third of all foreign visitors.

**Group Attends UN Meeting on Aging in Japan**  
*OW1209131488 Beijing XINHUA in English*  
1129 GMT 12 Sep 88

[Text] Tokyo, September 12 (XINHUA)—A five-day United Nations meeting opened in Sendai, northern Japan, today to discuss urbanization and aging population.

The meeting is attended by about 60 U.N. representatives, researchers and administrators from 20 world major cities, including Beijing, New York, Bonn, Cairo, Copenhagen, Hong Kong, Jakarta, Montreal, New Delhi, Paris and Seoul.

Speaking at the opening ceremony, Toru Ishii, mayor of Sendai, said that in the near future 20 percent of Japan's population will consist of people aged over 60. He said cities around the world must cooperate in dealing with this kind of problem.

The meeting is expected to adopt a Sendai declaration as a guideline for coping with the aging society.

**New Travel Permit for Hong Kong, Macao Residents**  
*OW0709144688 Beijing XINHUA in English*  
1100 GMT 7 Sep 88

[Text] Hong Kong, September 7 (XINHUA)—Hong Kong and Macao travellers holding Chinese home visit permits are expected to start applying for a new form of travel document tomorrow under China's new Easy Travel Scheme (ETS).

From October 15, holders of the new permits will not be required to produce the extra blue arrival-departure sheets currently required when passing through China's computerized control checkpoint at Shenzhen.

The new "Home Visit Permits for Hong Kong and Macao Compatriots" and "Home Visit Permits for Children" will be issued by the China Travel Service. A computer code will be attached to the holder's photo on the new home visit permit.

All checkpoints in Guangdong Province would gradually be computerized, it has been reported.

The computerization would increase the speed of immigration procedures five-fold.

The Hong Kong Immigration Department has already introduced the computer system in checking the local travellers' identification cards at Lo Wu and the Kai Tak Airport.

Official statistics show more than 50 million arrivals and departures annually at the various Guangdong checkpoints in recent years.

**Beijing Hosts Korean Film Festival**  
*OW0709124188 Beijing XINHUA in English*  
0931 GMT 7 Sep 88

[Text] Beijing, September 7 (XINHUA)—A week-long show of four Korean films was launched here today to mark the 40th anniversary of the founding of the Democratic People's Republic of Korea.

The four feature films will also be shown in Guangzhou, Xian and Yanbian from September 8 to 14.

"With the form of holding the Korean film week, we extend holiday greetings to the Korean people," Chen Haosu, vice-minister of radio, film and television, said at the opening ceremony this afternoon, adding that the films will help the Chinese audience know more about the Korean people's efforts to build up their fatherland and accomplish the reunification, as well as the country's film industry.

Present on the occasion were Choe Pong-chol, charge d'affaires ad interim of the Korean Embassy, members of a visiting Korean film delegation and leading members of the Chinese departments concerned along with Chinese viewers and some Koreans working or studying in Beijing.

**DPRK Envoy Tours Korean Art, Book Exhibits**  
*OW0809115188 Beijing XINHUA in English*  
1017 GMT 8 Sep 88

[Text] Beijing, September 8 (XINHUA)—A Korean painting exhibition and a Korean book show opened here today to mark the 40th anniversary of the founding of the Democratic People's Republic of Korea.

Some 40 Korean paintings will be exhibited at the China Art Gallery until September 21, while the books go on display at the Museum of the Chinese Revolution till September 13.

Addressing the painting exhibition opening ceremony earlier today, Minister of Culture Wang Meng said these paintings, covering a variety of subjects and vivid with unique national flavor, will help Chinese viewers to acquaint themselves with the Korean fine arts tradition inherited and developed by Korean artists.

Wang also attended an opening ceremony for the book show at the Museum of the Chinese Revolution.

Xi Zhongxun, vice-chairman of the Standing Committee of the National People's Congress, attended the opening ceremony for the painting exhibition, while Rui Xingwen, member of the Secretariat of the Chinese Communist Party Central Committee, was present at the book show opening ceremony in the afternoon.

Present on both occasions were Choe Pong-chol, charge d'affaires ad interim of the Korean Embassy, along with some Korean experts and students in Beijing.

**Writers Comment on Seoul Literary Congress**  
HK0609092788 Hong Kong SOUTH CHINA  
MORNING POST in English 6 Sep 88 p 8

[By Lai Pui-ye]

[Text] Members of a delegation of Chinese writers to an international literary meeting in Seoul last week joined their South Korean counterparts in condemning American arrogance displayed in the event.

Jin Jianfan, a delegate, said yesterday the arrogance of the American delegation at the 52nd Congress of the International PEN [International Association of Poets, Playwrights, Editors, Essayists, and Novelists] had aroused much resentment from delegates of Asian as well as Western countries.

He said the congress chairman, Mr Chung Eul Byung was provoked enough to criticise the U.S. delegation during his closing speech.

South Korea writers—the hosts of the congress—were extremely unhappy with the “big brother” attitude of the American delegates, Jin said.

The seven-member delegation of the Chinese Writers' Association was in Hong Kong after attending the International PEN meeting in Seoul last week.

Jin Also accused the American delegation of organising its own activities parallel to those by the organisers.

“The American delegates criticised China for violating human rights, alleging that even the work by prominent journalist Liu Binyan could not be published.

“But the truth is that the August edition of REN MIN WEN XUE—China's most prestigious literary magazine—has printed Mr Liu's most recent article written in Los Angeles. However, the delegates seemed not to believe it,” he said.

Jin said the South Koreans also criticised the American writers for not addressing the grave situation of minorities in their own country and levelling charges against Asian countries instead.

The Chinese writers were asked to address the congress on its theme of “Change and Permanence of Literature in a Rapidly Evolving Society”.

Xiao Qian, who made the keynote speech, said this was the first time Chinese writers had been allowed into South Korea, which has no diplomatic links with China.

“This was an indication that China would further open up to the outside world,” he said.

Ke Ling, another member of the delegation, said he was very impressed by the achievements of South Korea in the past 40 years.

The mainland writer hoped there would be more exchanges with the South Koreans to promote better understanding between the countries.

**DPRK-South Korea's Lawmakers' Meeting Suspended**  
HK0809071588 Beijing RENMIN RIBAO in Chinese  
1 Sep 88 p 6

[Dispatch from Pyongyang by reporter Xu Baokang (1776 1405 1660): “Fourth Round of North-South Korean Talks Is Fruitless, but the Northern Sides Says That Its Door for Dialogue Will Not Be Closed”]

[Text] Pyongyang, 30 Aug—On 29 August, a delegation from North Korea attending a preparatory meeting of the North-South Korean joint parliamentary conference issued a statement that North Korea would not close its door for talks with the South Korean parliamentary delegation in Panmunjom.

Newspapers here which published the statement today pointed out: At the meeting, the South Korean side put forward various pretexts to block the proposal of the North side on holding North-South joint parliamentary talks and discussing the issue of the Olympic Games as an “urgent topic.” The North-South meeting will be postponed until October. The statement stressed that the South Korean side should be held responsible for the failure to cohost the Olympic Games.

In conclusion, it stated that the northern side would do all it can to realize the plan for a North-South joint parliamentary conference. The door for contact in Panmunjom will always be open until results have been achieved.

### **Southeast Asia & Pacific**

**Singapore's Lee Kuan Yew Official Visit Reported**

**To Meet Deng, Zhao, Yang**  
OW1409075488 Beijing XINHUA in English  
0651 GMT 14 Sep 88

[Text] Singapore, September 14 (XINHUA)—Singapore Prime Minister Lee Kuan Yew left here this morning for his nine-day official visit to China.



He is accompanied by Minister for Communications and Information and Second Minister for Defense (Police) Yeo Ning Hong, Minister for Law and Home Affairs S. Jayakumar, Minister for Foreign Affairs and Community Development Wong Kan Seng and other senior officials.

This is Lee's fourth visit to China since 1976. He is expected to meet Chinese Premier Li Peng who took office last year.

On the purpose of his current China tour, Lee Kuan Yew told XINHUA that the visit will enable him to bring himself up-to-date with the changes in the leadership and to see for himself the rapid development in the economic and social sectors of China. He is also expected to meet Deng Xiaoping, General Secretary Zhao Ziyang and President Yang Shangkun.

There would be two major topics on the talks between him and Chinese leaders, sources here said.

One is the latest development of the Kampuchean problem.

The other topic is the expansion of economic cooperation and trade ties between the two countries.

China and Singapore and other ASEAN countries support the resistance forces and oppose the Vietnamese occupation of Kampuchea. They demand that Vietnam pull out from Kampuchea and let the Kampuchean people solve their internal affairs by themselves.

**To Convey Sihanouk Message**  
OW1409083588 Beijing XINHUA in English  
0818 GMT 14 Sep 88

[Text] Singapore, September 14 (XINHUA)—Prime Minister Lee Kuan Yew left here for China today with two messages on the Kampuchea issue from Samdech Norodom Sihanouk to Chinese leader Deng Xiaoping.

According to local newspapers today, Sihanouk, here on a visit, said in the first message that he will not raise the question of Kampuchean seat at the United Nations.

In the second message he said he will not form a bilateral coalition with the pro-Vietnamese Heng Samrin regime.

Sihanouk reiterated that the coalition he has in mind is quadripartite, involving all four Kampuchean factions, and that it will first require the dismantlement of the CGDK [Coalition Government of Democratic Kampuchea] machinery as well as that of the Heng Samrin regime.

He said he has been invited by President Ronald Reagan to visit the U.S. Next month and he will have talks with U.S. Secretary of State George Shultz. He will also meet U.N. Secretary-General Perez de Cuellar and ASEAN representatives there.

Sihanouk leaves here for Bangkok this afternoon at the end of his four-day visit.

**RENMIN RIBAO Hails Visit**  
OW1409102788 Beijing XINHUA in English  
0942 GMT 14 Sep 88

[Text] Beijing, September 14 (XINHUA)—The fourth visit to China by Singaporean Prime Minister Lee Kuan Yew, due to arrive this evening, is bound to make new contributions to the development of the relations between the two countries, an article in the "PEOPLE'S DAILY" noted today.

Since China and Singapore established commercial relations in September 1981, the friendly relations, and economic and trade cooperation between the two countries have entered a new stage, it said.

Mutual understanding and trust have been enhanced through exchanges of visits between top leaders of the two countries, including Lee Kuan Yew, Goh Chok Tong and Ong Teng Cheong from Singapore, and Zhao Ziyang, Tian Jiyun, Gu Mu and Wu Xueqian from China.

They have signed agreements on investment protection avoidance of double taxation, tourism and aviation. By 1987, Singapore-funded projects in China numbered 150 and the bilateral trade volume came to 1.945 billion U.S. dollars. Chinese offices and institutes in Singapore have increased from five to 24.

Cooperation has also been carried out in tourism, science and personnel training. Singapore has helped China train a large number of managerial personnel in tourism, the hotel business and civil aviation.

Goh Keng Swee, ex-deputy Prime Minister of Singapore, was invited to be advisor for the economic development of China's coastal areas and tourism. He has visited China many times and given a lot of good advice.

On major international questions, the two countries have similar views and stands. They have made unremitting efforts for the political solution of the Kampuchean question, and on safeguarding peace and stability in the region.

"However," the article said, "China and Singapore have not yet established diplomatic relations, and the task of normalizing relations still lies ahead."

The people of China and Singapore have a traditional friendship, and developing cooperation in all fields corresponds to their fundamental interests and common desires.

**Arrives in Beijing**

*OW1409110388 Beijing XINHUA in English  
1033 GMT 14 Sep 88*

[Text] Beijing, September 14 (XINHUA)—Singaporean Prime Minister Lee Kuan Yew arrived here by air this evening for an eight-day official goodwill visit to China at the invitation of the Chinese Government.

This is Lee's fourth visit to China. He will exchange views with Chinese leaders on further development of bilateral economic relations and trade and international issues of common concern.

Accompanying him on the visit are Mrs Lee, government ministers and Singaporean press corps.

Mr and Mrs Lee were greeted at the airport by Hu Ping, chairman of the Chinese Government Reception Committee and minister of commerce; Liu Shiqing, vice-minister of foreign affairs; Wang Jiuan, Chinese commercial representative to Singapore; and Wong Meng Quang, representative of the Singapore Commercial Representative Office in Beijing.

It was learned that Chinese Premier Li Peng will host a ceremony to welcome the prime minister and his wife at a plaza east to the Great Hall of the People here tomorrow morning.

**Wang Zhen Meets Thai Businessmen 13 Sep**  
*OW1309182088 Beijing XINHUA in English  
1602 GMT 14 Sep 88*

[Text] Beijing, September 13 (XINHUA)—Vice-President Wang Zhen met here today with a group of Thai businessmen led by Dhanin Chearavanont [Chinese name Xie Guomin], vice-chairman and president of Chia Tai Conti Ltd of Thailand.

The visitors have been here to explore possibilities for expanding cooperation with China.

Wang Zhen encouraged the Thai corporation to increase business ties with the Chinese economic institutions.

Dhanin told Wang that Chia Tai Conti Ltd, a leading company handling agricultural, husbandry and commercial business in Southeast Asia, is interested in investing in China's Hainan Island and wants to expand cooperation with other parts of the country in agriculture and chemical and light industries.

After the meeting Wang Zhen hosted a dinner in honor of the visitors. [Beijing XINHUA Domestic Service in Chinese at 1506 GMT on 13 Sep 88 adds the following: ...The Thai visitors are visiting China at the invitation of the CAIFC.]

Present at the meeting were Huang Hua, CAIFC chief advisor; He Kang, minister of agriculture; and Qin Zhongda, minister of chemical industry.]

**Zhao Ziyang Meets Thai Group, Senate President**  
*OW1309201988 Beijing XINHUA Domestic Service  
in Chinese 1510 GMT 13 Sep 88*

[By reporter Zhu Yunlong]

[Text] Beijing, 13 Sep (XINHUA)—This afternoon Zhao Ziyang, general secretary of the CPC Central Committee, met in Zhongnanhai with a delegation of the National Assembly of Thailand headed by Ukrit Mongkhonawin, president of the National Assembly and speaker of the Senate.

Zhao Ziyang and President Ukrit recalled their meeting in Beidaihe 3 years ago.

Zhao Ziyang warmly welcomed President Ukrit and praised him for his efforts to expand Sino-Thai friendship.

Ukrit said that Thai-Chinese ties today are closer than before and he hopes that they will improve daily in the future. He said: "I am the first president of the Thai National Assembly who has visited China twice. The purpose of our visit to China is to convey the friendly sentiments of the Thai people to the Chinese people and express our respect to Chinese leaders."

Zhao Ziyang said: Sino-Thai friendly relations and cooperation have been developing very smoothly in the political, economic, cultural, scientific, technological, and other fields. This is the result of the joint efforts of the two countries' governments, parliaments, and peoples. He hoped that Sino-Thai relations will develop even more rapidly and become even closer in the years to come.

Ukrit told Zhao Ziyang that he would visit Lhasa, Tibet. He joked: "Our visit to Tibet will consolidate Thai-Chinese ties even further, because that is the highest place in China."

Zhao Ziyang asked him: "How is the harvest in Thailand this year?"

Ukrit replied delightfully: "We have a very good rice harvest."

Zhao Ziyang spoke highly of Thailand's achievements in attracting foreign capital and establishing joint ventures. He said that Thailand has been internationally acknowledged to have a good investment environment, adding that the revaluation of the Japanese yen will help Thailand attract even more foreign capital. He said China attaches great importance to Thailand's construction experiences.

Ukrit said: We Thais are very lucky because large amounts of foreign capital have flowed into Thailand in recent years. He added: "While we are happy with our development, we have worries about the excessive speed. Excessively speedy development is apt to lead to inflation, market insufficiency, and other problems."

Zhao Ziyang also briefed his visitors on China's efforts to reform the pricing system and curb inflation. He said: In order to control inflation we will curtail our construction, appropriately slow industrial development, and curb excessive social demand. He also mentioned the need to gradually privatize housing ownership in the future.

Present at the meeting were Ngapoi Ngawang Jigme, vice chairman of the NPC Standing Committee, Tet Bunnak, Thai Ambassador to China.

**Yang Shangkun Holds Talks With Thai Delegation**  
*OW1409095088 Beijing XINHUA in English*  
0920 GMT 14 Sep 88

[Text] Beijing, September 14 (XINHUA)—Chinese President Yang Shangkun met here today a delegation of the National Assembly of Thailand led by Dr Ukrit Mongkhonawin, president of the National Assembly and speaker of the Senate.

Yang spoke highly of bilateral friendly relations and cooperation. He said that in recent years there have been frequent exchanges of delegations, governmental and non-governmental, between the two countries.

Yang described Ukrit's revisit to China as an indication of the great importance that Thailand has attached to the expansion of Sino-Thai relations. "There is no dispute but friendship between our two countries," he added.

He said that Thailand has made great achievements in importing foreign funds and managing foreign-funded enterprises, and that China should learn from Thailand's experience in its development.

Ukrit noted that Thailand-China relations are as close as that of brothers. "Our friendship is sincere because we help each other during our hard times," he added.

"Now that both Thailand and China are developing well, we will share happiness," Ukrit said.

Yang and Ukrit also exchanged views on international issues of common concern.

**Vice Foreign Minister Views Cambodia Problem**  
*AU1209175788 Vienna Domestic Service in German*  
1600 GMT 12 Sep 88

[Helmut Opletal report on interview with PRC Vice Foreign Minister Zhou Nan in Vienna on 12 September—recorded; Zhou Nan statements made in Chinese with superimposed German translation]

[Text] A political solution to the 10-year conflict in Cambodia has drawn nearer since all four parties to the conflict—the pro-Vietnamese government and the three resistance organizations, including the Khmer Rouge—met at the negotiating table in Indonesia in July. Vietnam has announced its readiness for a step-by-step withdrawal of its troops, and Chinese and Soviet politicians negotiated on a solution to the Cambodia problem in Beijing last month.

In its new proposals for a political solution, China has oriented itself toward Prince Sihanouk's ideas and Beijing now distances itself from the Khmer Rouge, who have been discredited because of their rule of terror during the 1970's.

In Vienna today, Vice Foreign Minister Zhou Nan formulated the new proposals for a solution as follows:

[Begin Zhou Nan recording] The decisive element for a solution to the Cambodia problem is the complete withdrawal of the Vietnamese invasion troops. Under these conditions, a transition government of all four parties to the conflict—under the leadership of Prince Sihanouk—is to be formed. In this transition government, Prince Sihanouk has to have the power, because it is necessary to counter two dangers: first, the danger that the Khmer Rouge will again grab power; and second, the perhaps even greater danger that the government—supported by and dependent on Vietnam—will continue to exercise power. [end recording]

China no longer demands the prior withdrawal of the Vietnamese troops as a precondition, but envisages a withdrawal and, parallel to it, a process of political solution under international control. Says Zhou Nan:

[Begin Zhou Nan recording] Simultaneously to the Vietnamese withdrawal, the armed forces of the four groups are not only to be frozen at their present number, but to be totally disbanded. Afterwards, a unified national army headed by Prince Sihanouk is to be established with the equal participation of all four parties to the conflict. [end recording]

Zhou Nan is also in favor of an international monitoring commission and of sending a UN peace-keeping force to Cambodia. China is willing to participate in international guarantees for a political solution. Last month in



Beijing the PRC and Soviet deputy foreign ministers held negotiations on a solution to the Cambodia problem. On the success of the PRC-Soviet talks, Vice Foreign Minister Zhou Nan says:

[Begin Zhou Nan recording] The negotiations achieved progress in some points, but there are still considerable differences in opinion. However, we have agreed that in a few weeks, during the UN General Assembly, the two foreign ministers will continue negotiations on Cambodia. [end recording]

This afternoon Zhou Nan visited Nationalrat President Leopold Gratz, chairman of the UN Conference on Kampuchea. Over the past few months the mediating role of the United Nations, which has not been very intensive anyway, has receded even more, after the parties to the conflict started direct negotiations. In the course of a political settlement, however, the UN Commission and its Austrian chairman could become more important again. Said Vice Foreign Minister Zhou Nan today:

[Begin Zhou Nan recording] Mr Gratz is an old friend of ours, whom I also know personally. If more and more states are interested in a political solution to the Cambodia problem, the International Conference on Kampuchea will also be able to play its planned role, in line with the UN resolutions. [end recording]

**U.S. Delegation Arrives in SRV for MIA Talks**  
*OW1209195488 Beijing XINHUA in English*  
1506 GMT 12 Sep 88

[Text] Hanoi, September 12 (XINHUA)—A U.S. delegation headed by Lieutenant Colonel John Harvey arrived here today for talks on "details" of joint searches for some 1,700 U.S. soldiers missing in action (MIA) during the Vietnam war.

The joint search program was proposed in July but was suspended later by Hanoi who accused the U.S. State Department of "political hostility" towards Vietnam.

At the end of August, however, the Vietnamese Government agreed to resume the joint search for 70 MIA's which Washington considered as "priority" cases.

Since the MIA searches began in 1982, remains of 241 dead servicemen were restituted to the United States among which 152 have been formally identified as being the bodies of U.S. citizens.

**Hong Kong Fishermen Warned About Splashdown Area**  
*OW0909234788 Beijing XINHUA in English*  
1331 GMT 9 Sep 88

[Text] Hong Kong, September 9 (XINHUA)—The Hong Kong Agriculture and Fisheries Department today advised fishermen not to enter a special area with a 35 nautical mile radius in the East China Sea between September 14 to October 3 for their own safety.

The special area is centered at 28 degrees 13 minutes North latitude and 123 degrees 53 minutes East longitude.

The advice followed an announcement by the People's Republic of China that the Chinese Government would launch a rocket to that target area during the specified period.

A department spokesman said that the Chinese Government had requested governments of other countries to inform their vessels and aircraft not to enter that area or the space over it between 10 am and 5 pm Beijing time on those inclusive dates.

### Near East & South Asia

**Defense Production Sector Grows in India**  
*OW1109011388 Beijing XINHUA in English*  
0939 GMT 10 Sep 88

[Text] New Delhi, September 10 (XINHUA)—The defense production sector has become the second largest industrial complex in India, local press reported today.

The value of defense production has risen from a mere 410 million rupees (29.3 million U.S. dollars) in 1961-62 to about 15 billion rupees (1.07 billion U.S. dollars) now, the report said.

There are now eight defense public sector undertakings in India. Seven of them are wholly government-owned.

The eighth, the Goa Shipyards Ltd, is partly owned by the government.

New projects which have been launched in recent years include an infantry combat vehicles factory at Medak in the southeastern state of Andhra Pradesh, the Bolangir Ordnance Factory for higher calibre sophisticated ammunition, and the extension of facilities at the heavy vehicles factory at Avadi in the southern state of Tamil Nadu for manufacture of T-72 tanks.

India has test-fired a new generation of surface-to-surface missile "Prithvi (Earth)" in February this year. It has a range of 250-kilometers.

It was reported that the DRDO [expansion unknown] laboratory at Hyderabad has already established basic technology for missile systems in solid and liquid propulsion control and in guidance and precision fabrication under the integrated guided missile development program.

The annual expenditure in the country's defense research has risen from about 100 million rupees in 1965 to 2.23 billion rupees in 1985.

**Ni Zhifu Meets Indian Trade Union Delegation**  
*OW1209173888 Beijing XINHUA in English*  
1317 GMT 12 Sep 88

[Text] Beijing, September 12 (XINHUA)—Ni Zhifu, vice-chairman of the Chinese National People's Congress Standing Committee, met with a delegation from the All-India Trade Union Congress led by its General Secretary Indrajit Gupta here this afternoon.

Ni, also president of the All-China Federation of Trade Unions, told the Indian guests that his organization is scheduled to hold its 11th national congress next month.

The Indian delegation was here on a friendly visit at the invitation of the Chinese federation.

**Indian Economic Delegation To Visit USSR**  
*OW1409011188 Beijing XINHUA in English*  
1642 GMT 13 Sep 88

[Text] New Delhi, September 13 (XINHUA)—A high-level Indian delegation is leaving for the Soviet Union on Thursday on a week-long mission for raising the bilateral economic, trade, scientific, and technical cooperation, according to the PRESS TRUST OF INDIA (PTI).

The delegation, which includes the prime minister's adviser on technology missions G. Pitroda, will seek to enhance trade between the two countries from the present level of about 70 billion rupees (5 billion U.S. dollars) to about 90 billion rupees by 1992, Dr K. Alagh, leader of the delegation, told PTI today.

The delegation also comprises the working group on the elaboration of a long-term program for economic, trade, and scientific technical cooperation between the two countries beyond 2000.

The areas for expansion of trade will include food processing, electronics and computer items, light industry, power equipment, petroleum, railways, transport, and civil aviation.

Alagh, member of the planning commission, said that certain projects are being negotiated with the Soviet Union in power sector, coal mining, and modernization of steel plants like Bokaro.

The Soviet Union is buying more of computer software and is interested in computer and electronic components and capital goods imports. The Soviet Union is also interested in Indian involvement in its oil prospecting, Alagh said.

**Tian Jiyun Meets Pakistani Auditing Delegation**  
*OW1009090388 Beijing XINHUA in English*  
0754 GMT 10 Sep 88

[Text] Beijing, September 10 (XINHUA)—Chinese Vice-Premier Tian Jiyun met a Pakistani auditing delegation led by Auditor-General Riyaz H. Bokhari here this afternoon.

Tian and Bokhari agreed to strengthen cooperation and exchange between the two countries in the auditing field.

The delegation arrived in Beijing September 8 at the invitation of Chinese auditing administration. Auditor-General Lu Peijian and Bokhari held talks yesterday.

**Zhu Liang Meets Sri Lankan CP Delegation**  
*OW1309192488 Beijing XINHUA in English*  
1552 GMT 14 Sep 88

[Text] Beijing, September 13 (XINHUA)—Zhu Liang, head of the International Liaison Department of the Chinese Communist Party Central Committee, here today met and feted a delegation from the Central Committee of the Communist Party of Sri Lanka led by General Secretary K.P. Silva.

**Xinjiang Awarded, Seeks More Contracts Abroad**  
*HK1309131188 Beijing CEI Database in English*  
13 Sep 88

[Text] Urumqi (CEI)—Xinjiang Uygur Autonomous Region has contracted eight projects in Sri Lanka at a total cost of 6.5 million U.S. dollars, an official of the regional government said.

The projects envisage opening up of wastelands, water conservancy and farmland capital construction. One project for the opening up of wasteland has been completed and many new projects were contracted by the regional government in August.

At present Xinjiang's labor service agency is making efforts to offer its services abroad, such as agricultural development, water conservancy, electric power, textile industry, transportation and civil engineering.

**Syrian Assembly Speaker's Interview on Visit Cited**  
*OW1109201088 Beijing XINHUA in English*  
1613 GMT 11 Sep 88

[Text] Damascus, September 11 (XINHUA)—Syrian People's Assembly Speaker 'Abd al-Qadir Qaddurah has described his recent visit to China as "actually contributed to pushing the bilateral relations between the two countries forward."

The Syrian parliamentary delegation led by Qaddurah visited China from 21 to 29 August.



In an interview with the semi-official Syrian newspaper "TISHRIN" published today, the speaker said that they had managed to familiarize themselves with the achievements made by the Chinese people as well as China's reform and openness policies.

Referring to the Middle East problem, the Syrian official said: "Our Chinese friends emphasized their support for the convention of an international Middle East peace conference under the auspices of the U.N. and they hailed the Palestinian popular uprising in the Israeli-occupied Arab territories."

**Family Planning Delegation Visits Egypt**  
*OW1309031788 Beijing XINHUA in English*  
*0136 GMT 13 Sep 88*

[Text] Cairo, September 12 (XINHUA)—A Chinese delegation of population and family planning headed by Peng Yu, deputy chief of China's Family Planning Commission, arrived here today on an 8-day visit to Egypt.

Upon arrival at the Cairo International Airport, Peng Yu told reporters that his visit aims at boosting cooperation between the two countries in population control and family planning.

The chairman of Egypt's National Council for Population, Maher Mahran, greeted the delegation at the airport. He told reporters that the two sides would exchange experience in family planning.

The Egyptian Government is planning to manufacture contraceptives for women, and studies are under way on the possibility of making them by the end of 1989 through cooperation with some friendly countries, Mr Mahran said.

The Chinese delegation is expected to meet with the chairman of the Egyptian Shura (Consultative) Council, Dr 'Ali Lutfi and other senior Egyptian officials.

**Sub-Saharan Africa**

**Qian Qichen, Burkina Faso's Palm Trade Toasts**  
*OW1309202188 Beijing XINHUA in English*  
*1546 GMT 13 Sep 88*

[Text] Beijing, September 13 (XINHUA)—Chinese Foreign Minister Qian Qichen hosted a dinner here tonight in honor of the visiting Burkina Faso Minister of External Relations Jean-Marc Palm.

China and Burkina Faso established diplomatic relations 15 years ago.

Proposing a toast, Qian praised Burkina Faso for its successes in strengthening national unity and invigorating its economy. He also spoke highly of the country's foreign policy of non-alignment and good-neighborliness.

Qian said that in economic construction, China and African countries, including Burkina Faso, can learn from each other.

Discussing the situation in southern Africa where tension has begun to ease, Qian said that China welcomes major progress in the peace talks for achieving peace in Angola and independence of Namibia. He also praised Angola, other African countries and parties for their efforts for realizing peace and stability in southern Africa.

Reiterating China's support for the African people's just struggle against racial segregation perpetrated by South Africa and for the Namibian people's just struggle for independence, Qian expressed the hope that new efforts will be made for further progress in the peace talks.

In reply, Palm said that Burkina Faso and China have trusted and supported each other during the past 15 years, conducting exemplary cooperation in various fields.

He said that in building a new society, the Burkina Faso People's Front and its revolutionary government want to increase ties with all peace-loving countries and take concerted actions for development.

Palm, who arrived earlier today, held talks with Qian this afternoon on bilateral relations and a number of international issues.

**CPC's Zhu Liang Welcomes Visiting Delegations**

**Burundian Delegation**  
*OW1109150688 Beijing XINHUA in English*  
*1221 GMT 11 Sep 88*

[Text] Beijing, September 11 (XINHUA)—Zhu Liang, head of the International Liaison Department of the Chinese Communist Party Central Committee, met with a delegation from the Party of Unity and National Progress of Burundi here this evening.

The delegation, led by Libere Bararunyeretse, coordinator of the party's National Permanent Secretariat, arrived here this evening.

**Zairian Delegation**  
*OW1109152588 Beijing XINHUA in English*  
*1158 GMT 11 Sep 88*

[Text] Beijing, September 11 (XINHUA)—Zhu Liang, head of the International Liaison Department of the Chinese Communist Party Central Committee, met and feted a delegation from the Popular Movement of the Revolution of Zaire here this evening.

The delegation was led by Mpinga Kasenda, permanent secretary of the movement's Political Bureau.

**Ni Zhifu Meets African Trade Union Guest**  
*OW0909184088 Beijing XINHUA in English*  
*1537 GMT 9 Sep 88*

[Text] Beijing, September 9 (XINHUA)—Ni Zhifu, vice-chairman of the Standing Committee of the Chinese National People's Congress and president of the All-China Federation of Trade Unions, met with Newstead Zimba, member of executive board of Southern African Trade Union Coordinating Council and General-Secretary of the Zambia Congress of Trade Unions.

Ni briefed the guest on the tasks and roles of China's trade unions in reform, especially the main tasks for the 11th trade unions congress which is scheduled for the coming October.

Zimba wished China's trade unions greater achievements and the unions' 11th congress success.

Zimba is here on a goodwill visit at the invitation of the All-China Federation of Trade Unions.

### **West Europe**

**Zhou Nan Winds Up Visit to Netherlands**  
*OW1009014188 Beijing XINHUA in English*  
*0049 GMT 10 Sep 88*

[Text] Brussels, September 10 (XINHUA)—Chinese Deputy Foreign Minister Zhou Nan, who arrived in the Netherlands September 7, ended his visit today after talks with Dutch Foreign Minister Hans van den Broek and other high-level officials.

The two sides exchanged views on bilateral relations and the world situation and agreed on the basic principles for a political solution to the Kampuchean problem.

**Transportation Accord Signed With Netherlands**  
*OW1309150688 Beijing XINHUA in English*  
*1326 GMT 13 Sep 88*

[Text] Brussels, September 13 (XINHUA)—China and the Netherlands signed a letter of intent to strengthen cooperative transportation links today at The Hague.

According to reports reaching here, the letter was signed by visiting Chinese Minister of Communications Qian Yongchang and Dutch Minister of Transportation and Waterways Smith Kroes.

In the letter, both sides expressed satisfaction over present cooperation between the two countries on transportation and hoped in particular to strengthen it on infrastructure and transfer of goods.

Each side will also name a coordinator for regular contact.

**Zhou Nan Visits Austria, Speaks on Cambodia**  
*OW1309080688 Beijing XINHUA in English*  
*0734 GMT 13 Sep 88*

[Text] Vienna, September 12 (XINHUA)—China reiterated today that the key to a solution of the Kampuchea problem lies in the unconditional withdrawal of Vietnamese troops from the country. [Beijing XINHUA Domestic Service in Chinese at 0702 GMT on 13 September in a similar report expands the preceding sentence to read: The key to the solution of the Cambodian issue lies in Vietnam's taking the first step by withdrawing its troops from Cambodia unconditionally, rapidly, and completely.]

Visiting Chinese Vice Foreign Minister Zhou Nan also said here that China favors the idea of forming an interim government headed by Samdech Norodom Sihanouk and participated by all four conflicting parties.

The vice minister stressed that the Vietnamese withdrawal and political settlement of the Kampuchea problem could be carried out simultaneously. While the Vietnamese withdraw their troops, Zhou explained, the four conflicting parties can disband their armed forces and form a national army.

China supports the idea of establishing an international supervision commission and to send U.N. Peace-keeping troops to Kampuchea, Zhou said. [XINHUA Domestic Service adds: China will participate in an international guarantee for the political settlement of the Cambodian issue.]

The Chinese vice foreign minister arrived in Vienna last Saturday [10 September] for an official visit to Austria at the invitation of the Federal Foreign Ministry. He met this afternoon with Austrian National Council President Leopold Gratz, who is also chairman of the U.N. Committee on the Kampuchea issue, and Science Minister Hans Tuppy to discuss bilateral and international issues.

**Chen Muhua Receives Austrian Delegation**  
*OW1309114588 Beijing XINHUA in English*  
*1104 GMT 13 Sep 88*

[Text] Beijing, September 13 (XINHUA)—Chen Muhua, vice-chairwoman of the Standing Committee of the National People's Congress, met here today with Tassilo Broesigke, president of the Audit Administration of Austria, and his party.

The Austrian guests arrived here yesterday on a visit to China.

**Austrian Chancellor Visits Chinese Exhibits**  
*OW1009013988 Beijing XINHUA in English*  
*0056 GMT 10 Sep 88*

[Text] Vienna, September 9 (XINHUA)—Austrian Chancellor Franz Vranitzky has expressed appreciation over Vienna-Beijing friendly relations and forecast a bright future for economic and trade cooperation between the two countries.

After a visit on Friday [9 September] to the Chinese Exhibition Hall at the 1988 Vienna International Autumn Fair, the Chancellor said further steps should be taken by both sides to expand economic and cultural exchanges to promote mutual understanding.

At the fair, Vranitzky showed great interest in Chinese products which came from Shaanxi and Guangdong provinces and Guangxi Zhuang Autonomous Region.

Austrian President Kurt Waldheim, visiting the Chinese hall yesterday, also showed interest in Chinese traditional products such as silk and handcrafts.

The 5-day annual Austrian International Fair that ends Monday attracted 1,020 companies and factories from 38 European, Asian, and American countries in addition to Austria's 1,127 exhibitors.

**Beijing Export Trade Fair Opens in FRG**  
*OW1309055688 Beijing XINHUA in English*  
*0300 GMT 13 Sep 88*

[Text] Bonn, September 12 (XINHUA)—Beijing export trade fair opened today in Cologne, Federal Germany, at the first anniversary of the establishment of Beijing-Cologne twin cities.

On display are products from 18 Beijing companies, including textiles, fur, handcrafts, jewelry, chinaware, chemicals, metals, radios, television sets, medicine, fireworks, clothes, food and other commodities.

Norbert Burger, mayor of Cologne, visited the fair and expressed his hope for further cooperation between the two cities.

**Ecology Cooperation Protocol Signed With FRG**  
*OW1009185488 Beijing XINHUA in English*  
*1438 GMT 10 Sep 88*

[Text] Beijing, September, 10 (XINHUA)—China and the Federal Republic of Germany (FRG) today signed a protocol on cooperation in the fields of ecological research and environmental technology, along with a summary of the eighth session of their joint committee for scientific and technological cooperation.

Signing the documents were Ruan Chongwu, vice-minister of the State Science and Technology Commission, and Dr Albert Probst, parliamentary secretary of state of the FRG Ministry for Research and Technology.

State Councillor Song Jian was present on the occasion and held a discussion with members of the visiting FRG delegation headed by Probst.

Both sides spoke highly of the "successful and effective cooperation" they have had since the two countries signed a treaty on science and technology cooperation in 1978.

Probst said he is particularly satisfied with the cooperation in space science and technology, adding that more possibilities should be explored in energy and other fields.

Song, also minister in charge of the State Science and Technology Commission, said cooperation in science and technology will enhance cooperation in industry, commerce and other sectors.

It was agreed at the recent meeting of the joint committee, which ended here today, that a celebration will be held in the FRG capital of Bonn later this year to mark the 10th anniversary of the Sino-FRG Treaty on Science and Technology Cooperation.

The German visitors are here as guests of the State Science and Technology Commission and will tour Guangzhou, Chengdu and Lhasa.

**Accord Signed in FRG To Coproduce Autos**  
*HK1209150988 Beijing CEI Database in English*  
*12 Sep 88*

[Text] Changchun (CEI)—China's Changchun No 1 Motor Vehicle Plant has signed a letter of intent in Wolfsburg, Federal Germany, with the Volkswagenwerk AG on a long-term cooperation project for jointly producing motor cars.

According to the document, the Changchun No 1 Motor Vehicle Plant will be licensed to produce Audi-100 cars, and its German partner will provide special tools, equipment and parts for the production. The annual producing capacity will be 30,000 by 1992.

The two sides also plan to set up a joint venture to produce 150,000 cars from 1996. Part of the cars will be sold in China and the rest will be exported.



**CPC's Sun Jiazheng Leaves for Italy 12 Sep**  
*OW1209202288 Beijing XINHUA in English*  
1523 GMT 12 Sep 88

[Text] Beijing, September 12 (XINHUA)—Sun Jiazheng, alternate member of the Chinese Communist Party (CPC) Central Committee and deputy secretary of the Jiangsu provincial party committee, left here today for Italy as guest of the Italian Communist Party.

He will also pay a week-long visit to Italy as guest of the Italian Republican Party.

**UK Expels SRV Diplomat Over Gun Incident**  
*OW1109051188 Beijing XINHUA in English*  
0030 GMT 11 Sep 88

[Text] London, September 10 (XINHUA)—A Vietnamese diplomat was expelled from Britain today after his embassy refused to grant a full waiver of immunity to allow his prosecution for allegedly brandishing a gun at demonstrators.

The British Foreign Office said in a statement that Vietnamese Third Secretary Khang Than Nhan must leave Britain by midnight tomorrow.

Vietnamese Ambassador to Britain Tran Van Hung was summoned to the Foreign Office to meet junior Foreign Office minister Timothy Eggar after police confirmed reports which said that Khang had brandished a gun at demonstrators outside the Vietnamese Embassy last Sunday.

"Mr Eggar said that in view of the Vietnamese authorities' firm decision not to grant a full waiver of immunity for Mr Khang, he must insist on the withdrawal of Mr Khang from the United Kingdom to underline the seriousness with which the British Government views the matter," the statement said.

The Vietnamese Embassy at first agreed to waive immunity so Khang could be questioned. Earlier this week, it said the weapon was a toy gun and handed one over to the Foreign Office.

The statement said that Tran today handed Eggar a gun which he said was the one brandished by Khang. The ambassador expressed his government's profound regret and apology, it added.

The statement said that the British Government would not accept nomination of a successor for Khang "until they had received a full and satisfactory account of the disciplinary proceedings that Mr Khang would face."

**East Europe**

**Hungarian Economic Development Drive Surveyed**  
*HK1209084388 Beijing RENMIN RIBAO in Chinese*  
3 Sep 88 p 7

[Article by Lu Cunshu (4151 1317 3219): "Hungary Strives for Stable Economic Development"]

[Text] In recent years, Hungary has faced a great many economic difficulties, mainly the increase of foreign debts, an enormous national budget deficit, and slackening and even stagnating production development. In July of last year, the Hungarian Socialist Workers Party [MSZMP] formulated an "Economic-Social Rejuvenation Plan," in which it was proposed that the economy should be stabilized first. After a period of hard work, the economic situation has improved. Last year, the national income increased by 2 to 2.5 percent compared with the preceding year; the value of industrial output increased by 3.7 percent; the rate of increase in foreign debt slowed down; the budget deficit fell from 46 billion forints in 1986 to 35 billion forints; and the rate of labor production increased by 4 percent. However, Hungarian leaders think that this is only an initial achievement. Continuing and arduous efforts are required for the rejuvenation of the economy.

The primary goal of the national economic development plan this year is to carry out the "Economic-Social Rejuvenation Plan," and the government's working plan for stabilizing the economy. The MSZMP Congress held in late May and the plenary meeting of the Central Committee held in early July seriously discussed the difficult economic situation. Both meetings concluded that the fundamental solution to such difficulties is to continue the intensification of reforms and that the immediate task is to strive for stable development and lay a foundation for future changes. Grosz, general secretary of the MSZMP and premier of the government, said that they are mainly facing the task of "modernizing the economy" so that it can become "more competitive." Hungary's economy is now at an "initial stage of historical significance on the road of exploration." It has to look for a "road suitable to the characteristics of Hungary."

How can the goal of "modernizing the economy" be achieved? The MSZMP believes that society and the economy must be more open, and a socialist market economy has to be developed. The conditions for operating enterprises that have potential for development should be improved, so that capital and labor forces can be utilized more efficiently. They have decided to absorb personal funds and foreign capital and establish all kinds of ownership for integrated complexes and plan to formulate an integrated complex law. As they have to both stabilize and rejuvenate the economy at the same time this year, the task will be extremely arduous.

This year Hungary has been putting much effort into developing diplomatic activities focused on economic activities and actively participating in the international division of labor, so that the country's economic development can be better adapted to changes in the international economy. In the 1st half of this year, Hungarian leaders discussed bilateral economic problems with leaders of countries like the Soviet Union, the GDR, Czechoslovakia, and Yugoslavia. After his visit to the United Kingdom in early May, Premier Grosz visited the United States in mid-July. This was the first visit that a Hungarian leader had paid to the United States in 40 years. During his visit to the United States, Grosz met people from the political, economic, and industrial sectors and explored the possibility of expanding trade and attracting investment. Recently, Hungary signed a trade and economic cooperation agreement with the EEC. According to this agreement, Hungary can increase its exports by \$45-50 million each year. The expansion of foreign economic relations will help to speed up the economic modernization of Hungary by making use of the capital and technology of Western countries.

**Hungary Strives To Overcome Excessive Spending**  
*HK1309052188 Beijing RENMIN RIBAO in Chinese*  
8 Sep 88 p 7

[Article by Lu Cunshu (4151 1317 3219): "Hungary Strives To Overcome Excessive Spending"]

[Text] The plenary meeting held recently by the Hungarian Socialist Workers Party [MSZMP] discussed the current domestic economic situation. At the meeting, it was emphasized that "domestic spending" must be further retrenched in the next few years, and "real wages and income must be reduced." This is an important measure adopted by the MSZMP Central Committee to overcome economic difficulties. When summing up the reasons for the country's economic difficulties in recent years, Hungarian leaders thought that there were internal and external reasons, among which excessive spending cannot be ignored.

Ever since Hungary's economic reforms, the living standard of its people has increased rapidly. However, the rise in the living standard has exceeded production development. So, after entering the 1980's, Hungary's economic development slowed down, and even stagnated. Under these circumstances, the income and consumption of the public continues to grow. During economic difficulties, the state continued to provide a large amount of welfare and allowances to the public, which in turn increased the nonproductive expenses in the budget, and caused years of budget deficits. For example, state spending on all kinds of social allowances in 1986 was equivalent to 20 percent of the national income in the preceding year. In 1986, there was almost no increase in national income at all, while the proportion of domestic spending rose by 3.2 percent and public consumption

by 2.7 percent. The proportion of people's income coming from social allowances that year increased to 34 percent. Such allowances thus become one of the reasons leading to excessive spending, and add to the financial burden of the country.

To change the situation, the Hungarian Government decided to cut down on domestic spending and temporarily restrain the increase in the living standard. It was emphasized at the plenary meeting of the MSZMP Central Committee that the situation where spending exceeds income and consumption exceeds production should be eliminated. For this reason, the Hungarian Government adopted the deflation policy: First, reduce the budget deficit. It was planned that in 1988 the budget deficit should be reduced from over 40 billion forints to 30-35 billion forints. Second, adjust prices to limit expenses. On 27 December last year, the Hungarian Government announced that prices of basic daily necessities were raised by 15 percent, and prices of all kinds of food were raised by 10.7 percent on average. Third, levy personal income tax from 1 January 1988. Fourth, control the increase in wages and earnings of staff and workers. It is stipulated by state law that the increase in the total amount of wages of all state-owned enterprises cannot exceed 2.5-3 percent.

**Recent Visit by CSSR's Husak Reviewed**  
*OW1309021488 Beijing in Russian to the USSR*  
1800 GMT 10 Sep 88

[From the "International Events Review" program]

[Text] Recently, CSSR President Gustav Husak ended his official friendly visit to China. Our correspondent noted in his commentary that the visit of President Husak, as well as the visit of Milos Jakes, general secretary of the Communist Party of Czechoslovakia, which took place 4 months ago, have further facilitated friendly cooperation between our two parties and our two countries.

During Husak's stay in China, Chinese leaders Zhao Ziyang, Deng Xiaoping, Yang Shangkun, and Li Peng had friendly meetings with him and conducted talks. They told the honored guest from Czechoslovakia that the multifaceted, time-honored, stable, and deep development of friendly cooperation between China and Czechoslovakia is of benefit to the vital interests of the people of the two countries. They expressed their conviction that Sino-Czechoslovak friendly cooperation will undoubtedly be further developed in all spheres on the basis of the principles of mutual respect, equality, and mutual benefit.

Husak stated that Czechoslovakia is full of resolve to comprehensively facilitate the friendly relationship between the parties, states, economic organs, and social organizations of the two countries.

The question of restructuring was the main topic of discussion at the meetings and talks between the leaders of China and Czechoslovakia. PRC Premier Li Peng gave a detailed briefing to President Husak on the progress of reform in China. For his part, Husak acquainted Li Peng with the reforms in his country.

CPC General Secretary Zhao Ziyang and President Husak also briefed each other on the reform measures in economic and social fields [words indistinct] of their countries, and about their thoughts on the future. They expressed readiness to learn from one another and to exchange experiences.

The leaders of the two countries also exchanged opinions on further strengthening friendly cooperation between the two countries in the spheres of the economy, trade, and culture. A consular convention was signed.

Through his visit, President Husak made a valuable contribution to the strengthening of friendship between the parties, states, and the peoples of China and Czechoslovakia.

**Dinner Honors GDR Consumer Cooperatives Chief**  
*OW1309170188 Beijing XINHUA in English*  
1308 GMT 14 Sep 88

[Text] Beijing, September 13 (XINHUA)—Pan Yao, acting president of the board of directors of All-China Federation of Supply and Marketing Cooperatives, hosted a dinner here this evening in honor of a visiting delegation of the Consumer Cooperative Union of Democratic Germany headed by its president, H. Fahrenkrog.

Pan told the guests that their visit marked the restoration of relations between the two organizations which had been suspended for over 20 years. The visit, he added, will open new prospects for their cooperation.

The guests arrived in Beijing on September 10.

**Reform Boosts GDR Economic Growth**  
*OW1309113288 Beijing XINHUA in English*  
0903 GMT 13 Sep 88

[Text] Beijing, September 13 (XINHUA)—The German Democratic Republic (GDR) has achieved great economic success since the ruling Socialist Unity Party adopted a policy of reform in 1971, a ranking GDR official said recently.

In an interview published in the latest issue of the weekly BEIJING REVIEW, party Politburo member Guenter Mittag said that in accordance with a resolution adopted at the eighth national congress of the party in 1971, the GDR has been carrying out the general task of integrating economic policies with social welfare and have achieved positive results.

"As for the progress achieved in the economy and social welfare, the years since the eighth congress of the party have proved to be the most fruitful years in GDR history," said Mittag, who is also vice-chairman of the Council of State.

He pointed out, "In 1987, compared with 1970, national income in terms of production output grew by 115 percent, that is, it more than doubled; the total value of industrial output rose by 128 percent, and labor productivity in the national economy by 105 percent.

"Grain yield grew from 6.5 million tons in 1970 to 11 million tons in 1987.

"From 1971 to 1987, 2,840,549 apartments were built or repaired in the GDR. This means the living conditions of 8.55 million residents have been fundamentally improved. That figure accounts for more than half of the total population of the GDR. Compared with 1971, per capita income in real terms has more than doubled. At the same time, equally important, the prices of daily necessities and consumer prices in the service sector have remained stable," Mittag noted.

When asked about the most important experience for achieving the success, Mittag said the guideline of integrating economic policy with social welfare propels the GDR's rapid economic growth and marked social progress.

"The positive results we have achieved are based on a reform program initiated in the early 1970s," the weekly quoted Mittag as saying.

**Li Ximing Condolences on Death of GDR's Felfe**  
*OW1209082688 Beijing XINHUA in English*  
0646 GMT 12 Sep 88

[Text] Beijing, September 12 (XINHUA)—Li Ximing, a senior Chinese Communist Party official, today went to the embassy of the German Democratic Republic here to extend condolences over the death of Werner Felfe, member of the Politburo of the ruling German Socialist Unity Party, who died last Tuesday [6 September] at the age of 60.

Li, member of the Political Bureau of the CPC Central Committee, wrote in the mourners' book: "We extend our profound condolences over the death of Comrade Werner Felfe."

A wreath sent by the CPC Central Committee was placed in the condolence hall.

Leading officials from the International Liaison Department of the CPC Central Committee and the Chinese Foreign Ministry were present on the occasion.

Werner Felfe was also party central secretary in charge of agricultural affairs.



**Li Tieying Meets Polish Culture Minister**  
*OW1309122188 Beijing XINHUA in English*  
0927 GMT 13 Sep 88

[Text] Beijing, September 13 (XINHUA)—State Councillor Li Tieying met with here this afternoon a Polish Government cultural delegation led by Aleksander Krawczuk, Polish minister of culture and art.

The five-member delegation arrived in China on Sept 6 at the invitation of the Chinese Ministry of Culture. They had toured Luoyang and Xian before coming to Beijing.

**Song Jian Meets Romanian Science Delegation**  
*OW1209140988 Beijing XINHUA in English*  
1222 GMT 12 Sep 88

[Text] Beijing, September 12 (XINHUA)—Song Jian, Chinese state councillor and minister in charge of the State Science and Technology Commission, here today met Radu Voinea, president of the Romanian Academy of Sciences, and a delegation he leads.

Arriving on September 5, the Romanian delegation has been here to sign a 1986-1990 scientific cooperation plan with the Chinese Academy of Sciences.

**Wu Xueqian Meets Yugoslavia's Mojsov**  
*OW1109145388 Beijing XINHUA in English*  
1241 GMT 11 Sep 88

[Text] Beijing, September 11 (XINHUA)—Chinese Vice-Premier Wu Xueqian met with Lazar Mojsov, member of the Presidium of Yugoslavia here this evening.

Mojsov is here on his way back home after having attended celebrations in Korea for the 40th anniversary of the founding of the Democratic People's Republic of Korea. He is scheduled to leave here for home tomorrow.

**Latin America & Caribbean**

**Argentine Naval Vessel Visits Shanghai**  
*OW0909000188 Beijing XINHUA in English*  
1513 GMT 8 Sep 88

[Text] Shanghai, September 8 (XINHUA)—A frigate of the Argentine Navy with 284 officers and men aboard is paying a five-day visit to Shanghai, China's largest port.

This is the first time for an Argentine military vessel to visit China.

Deputy Mayor of Shanghai Ni Hongfu and Commander of the Shanghai Naval Base Liu Xingwen met Captain Carlos Alberto Berisso and other ranking officers from the frigate "Ara Libertad" ("Freedom").

The local naval force also gave a reception in honor of the visitors.

Arturo E. Ossorio Arana, Argentina's ambassador to China, and his wife also attended the meeting and reception.

The frigate [words indistinct] the Shanghai port Tuesday [6 September] while on a training voyage.

In the past two days some of the seamen have called on their Chinese counterparts in the Shanghai naval base. Some of them will later travel to Beijing and Suzhou, a scenic city in Jiangsu Province, a military source said.

**Uruguayan President Sanguinetti To Visit in Nov**  
*OW0909083988 Beijing XINHUA in English*  
0545 GMT 9 Sep 88

[Text] Montevideo, September 8 (XINHUA)—Uruguayan President Julio Maria Sanguinetti will visit China in November, it was reported here today.

This will be the first visit of an Uruguayan President to China. In addition to an official entourage, Sanguinetti will be accompanied by leaders of the Colorado and National parties and of the Ample Front, as well as by a group of businessmen.

**Deng Xiaoping at Ceremony for New PLA Generals**  
*OW1409094288 Beijing Domestic Service in Mandarin*  
0800 GMT 14 Sep 88

[Text] Deng Xiaoping, chairman of the Central Military Commission, cordially met with 17 PLA high-ranking officers at Huaren Hall in Zhongnanhai today. The 17 officers have just received the military rank of general.

Comrade Deng Xiaoping shook hands one-by-one with the 17 generals and happily congratulated them.

Zhao Ziyang, Yang Shangkun, Li Peng, Wan Li, Li Xiannian, Qiao Shi, Hu Qili, Yao Yilin, Wang Zhen, and Bo Yibo were present at the meeting and joined Deng and the generals in posing for a group photo.

**Television Coverage Noted**  
*OW1409124988 Beijing Television Service in Mandarin*  
1100 GMT 14 Sep 88

[Editorial report] Beijing Television Service in Mandarin at 1100 GMT on 14 September, in its "National News Hookup" program, carries an under-minute report on Deng Xiaoping meeting today with 17 PLA officers promoted recently to the rank of general.

The report begins with a medium shot of Deng, wearing a dark Chinese tunic suit, walking unaided into a room while clapping his hands. This is followed by full shots of Deng walking toward the PLA officers, followed by Li Xiannian, Zhao Ziyang, Wang Zhen, Yang Shangkun, and other leaders; Deng shaking hands with each of the PLA generals, who are standing side by side behind a row of empty armchairs; and the other leaders also shaking hands with the generals.

Video then cuts to medium shot of Deng sitting between Yang Shangkun and Zhao Ziyang, followed by wide shot showing all the leaders sitting in a row, with the 17 generals standing behind them.

The announcer, in voice over video, reports on the proceedings of the meeting.

**Zhao Speaks at Ceremony**  
*HK1409102388 Beijing ZHONGGUO XINWEN SHE*  
in Chinese 0802 GMT 14 Sep

[Report by reporter Li Wei (2621 0251): "The Central Military Commission Holds a Ceremony on Conferring Military Rank of General on Hong Xuezhi, Liu Qinghua, and Others"]

[Text] Beijing, 14 Sep (ZHONGGUO XINWEN SHE)—Amid the music of "The People's Army Is Loyal to the Party Forever," 17 high-ranking officers of the Chinese Army received from Zhao Ziyang and Yang Shangkun,

who are vice chairmen of the Central Military Commission, certificates signed by Chairman of the Central Military Commission of conferring military ranks of general on them.

These 17 generals are: Hong Xuezhi, member of the Central Military Commission, Liu Huaqing, member of the Central Military Commission, Qin Jiwei, member of the Central Military Commission and Defense Minister, Chi Haotian, member of the Central Military Commission and Chief of General Staff, Yang Baibing, Director of the General Political Department, Zhao Nanqi, member of the Central Military Commission and Director of the General Logistics Department, Xu Xin, Deputy Chief of General Staff, Guo Linxiang, Secretary of the Discipline Inspection Commission under the Central Military Commission and Deputy Director of the General Political Department, You Taizhong, Second Secretary of the Discipline Inspection Commission under the Central Military Commission, Wang Chenghan, Political Commissar of the Military Academy of Sciences, Zhang Zhen, President of the National Defense University, Li Desheng, Political Commissar of the National Defense University, Liu Zhenhua, Political Commissar of the Beijing Military Region, Xiang Shouzhai, Commander of Nanjing Military Region, Wan Haifeng, Political Commissar of Chengdu Military Region, Li Yaowen, Political Commissar of the Navy, and Wang Hai, Air Force Commander.

When those 17 generals, wearing their new-style uniforms and their shoulder loops denoting the rank of general walked toward the rostrum, other participating officials looked both excited and solemn.

In his speech delivered at the ceremony of conferring military ranks, Zhao Ziyang said: The implementation of the new military rank system in the Chinese Army is needed by the reform and the development of the Army during the new period. Our military rank system, based on historical experiences and useful practice of the foreign army, is noted for its Chinese characteristics and the characteristics of our times. It will certainly play a promoting role in strengthening the building of the Army, and in enhancing its combat effectiveness.

Zhao Ziyang hoped that with the implementation of the new military rank system, each and every serviceman will realize that the party and government place their hope and trust in them. They should consciously assign the party cause to the most important position, loyally devote themselves to the national defense undertaking, and heighten their sense of discipline. They must be brave and staunch, and strive to progress. They must also further give play to the spirit of revolutionary heroism, and push the building of the Army to a higher level.

Zhao Ziyang stressed: In the process of reform China has faced many difficulties. But we have great potential for overcoming difficulties, and there is much room for

improvement. We must succeed in our reform. We can certainly score our success. Each and every Communist Party member and serviceman must enthusiastically support reform. They must take the situation as a whole into consideration, strictly observe discipline, strictly enforce orders and prohibitions, and resolutely implement the relevant provisions. In particular, the high and middle-ranking cadres must set a good example, work selflessly for the public interests, and be thrifty and honest.

More than 1,000 officers above divisional level attended the "Ceremony of the the Central Military Commission of Conferring Military Rank of General," which was held in Huairan Hall.

Yang Shangkun presided over the ceremony. Party and government leaders Li Peng, Wan Li, Qiao Shi, Hu Junli, Yao Yilin, Bo Yibo and others also attended the ceremony to express their congratulations.

After the ceremony ended, Deng Xiaoping, Zhao Ziyang, Yang Shangkun, Li Xiannian, Wang Zhen and others cordially met those 17 generals, and had a photograph taken with them.

It has been learned that ceremonies of conferring military ranks below lieutenant general and conferring ranks on soldiers will be held successively. All ceremonies will be held by the end of this month. The Chinese Army will take on a new look as of 1 October.

**Zhao Remarks on Curbing Inflation, Price Reform**  
HK1309144288 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1320 GMT 13 Sep 88

[Report: "Zhao Ziyang Says, 'Curbing Inflation and Price Reform Will Be Carried Out Simultaneously'"]

[Excerpt] Beijing, 13 September (ZHONGGUO XINWEN SHE)—Today, Zhao Ziyang, General Secretary of the CPC Central Committee, once again indicated that efforts will be made to curb inflation in China and expressed the determination to carry out the price reform.

This afternoon, he told Ukrit Mongkohnawin, President of the National Assembly and Speaker of the Senate of Thailand who also visited China 3 years ago: You may find some changes in our country in the past 3 years. However, there are also quite a few problems. Reform has reached a crucial stage, and we must carry out the price reform. Otherwise, it will be hard to carry out the entire reform program in depth. However, at this moment, we also encounter inflation. It will be more difficult to carry out price reform under the condition of inflation, so we have to curb inflation while carrying out the price reform. These two things must be done at the same time.

Then Zhao Ziyang analyzed the reasons for the appearance of inflation in China. The main reasons are overheated economic development, the excessive scale of capital construction, and a too high growth rate in industry. Therefore, necessary adjustments should be made to properly control the scale of capital construction and to properly lower the industrial growth rate. [passage omitted]

**Thousands Visit Mao Memorial on Anniversary**  
HK1409133388 Beijing RENMIN RIBAO OVERSEAS  
EDITION in Chinese 10 Sep 88 p 4

[XINHUA report by Luo Xiaolu (5012 2556 6424) and Wu Xiaojun (0702 1420 6511): "Over 50 Million People Have Paid Respects to the Remains of the Great Man Since the Mao Zedong Memorial Hall Was Opened 11 Years Ago"]

[Text] Beijing, 9 Sep (XINHUA)—More than 50 old people from Shuitun Village of Beiyuan Town, Tianqiao District, Jinan City made a special trip to Beijing to pay their respects to the remains of Mao Zedong at the Chairman Mao Memorial Hall today.

Today marks the 12th anniversary of Mao Zedong's death. The queue of visitors lining up in front of the Chairman Mao Memorial Hall has been much longer than usual. The queue, in four lines side by side, has stretched for over 600 meters from the front gate into Tiananmen Square since 0700. Visitors began to enter the memorial hall quickly at 0800, but newcomers kept arriving to join the end of the queue.

Despite drizzle which continued throughout the morning, more than 28,000 visitors had paid their respects to the remains of Mao Zedong by 1000—the number of visitors was 3,000 people more than usual.

Zhu Xicai, leader of the old people's tour from Shuitun Village, said that he shook hands with Mao Zedong when Mao visited his village in 1958. He said he still remembered very clearly his meeting with Mao.

In the queue were Zhang Min, who was in a bright pink wedding dress, and her husband Zhu Kaizhi. They came from Shenyang and chose to visit the memorial hall on the anniversary of Mao Zedong's death. From time to time one can find newlyweds in brand new dresses in the long queue in front of the memorial hall. These newlyweds regard paying respect to Mao Zedong's remains as a memorable episode of their honeymoon.

He Mingxiu, a 35-year-old buyer from an electronic component part manufacturing plant in Sanming City of Fujian Province, traveled from Tianjin to Beijing at her own expense today to visit the memorial hall on the anniversary of Mao Zedong's death. She said that two of her elder brothers had been forced to leave school and



work in the countryside and mountain areas during the "Cultural Revolution" launched by Mao Zedong. "But, anyway, Chairman Mao was still a great man," she said.

According to Huang Daxiang, the responsible person of the propaganda office of the Memorial Hall Management Bureau, there are always more people than usual visiting the memorial hall on the anniversaries of both Mao Zedong's birth and death every year. By the end of last August, over 50 million people had visited the memorial hall since its opening on 9 September 1977.

Many people from other parts of the country include the activity of paying respect to Mao Zedong's remains in their itineraries in Beijing. Old people shed tears at the sight of Mao Zedong's remains, while other people regard Mao Zedong as a great historical figure.

Mao Zedong's former residence in Zhongnanhai was not opened to the public today. It is open only on Saturday and Sunday.

**Commentator Views Anti-Inflation Policies**  
*HK1209004688 Beijing CHINA DAILY in English*  
12 Sep 88 p 4

[By CHINA DAILY commentator]

[Text] The Chinese Government has been quick to adopt some major anti-inflation policies to secure favourable conditions for the wage-price reform that it is planning for the next five or so years.

Inflation—held by economies as the greatest stumbling block to China's price reform—has been so serious that reports of bank runs and panic buying came in from many parts of the country in mid-August. Among them were the large business centres of Beijing, Shanghai and Guangzhou.

The measures now taken in response to this ominous trend symbolize the beginning of the groundwork for the forthcoming crucial moves in the price reform. One may foresee that they may even be followed by more policies to serve this purpose.

The government reiterated that no more price changes are scheduled for the remainder of this year and declared that few are programmed for next year. These apparently are devised to reduce the psychological pressure that the previous price rises have caused among the public.

It resorted to such monetary policies as raising interest rates and pruning capital investment projects. These include, for example, Beidaihe's beach hotels that were to have been built by large institutions from Beijing.

More restrictions were imposed on government spending at different levels and on rampant institutional buying that persisted despite the central authorities' repeated warnings against them.

With the tightening of supervision over business activities of officials and official institutions, they were barred, in severe terms, from hoarding, let alone speculation.

Local administrations, particularly those of Beijing and Shanghai, virtually took emergency action to sustain the supply of daily goods and fast-selling commodity items to customers.

All these efforts give the appearance of expedient measures to cope with the temporary difficulties stemming from high inflation and still uncertain supply. However, they are part of the government's long-term plans to create the necessary conditions for carrying out wage-price reform and improve the health of the economy in the long run.

These include curbing the money supply, maybe to the tightest possible degree, in order to cool down overheated investment and consumption. In this process, the banking system is to become more independent, free from interference by administrations over funding priorities and credit terms.

**Companies [subhead]**

Enterprises will be encouraged to continue their experiments to become truly self-managing economic entities. The share-capital system, which some economists have been advocating for quite some time, may turn part of the institutional and personal savings into capital. This will buttress producers' enthusiasm and help the government get rid of the burden of financing the 6,000 or so large money-losing factories.

Furthermore, companies run by officials or official institutions are to be banned, or closely watched if they are irreplaceable at the present moment.

New schemes are to be put into practice to modify society's consumption pattern, such as providing private housing and linking the sale of private houses with personal savings. The existing government housing allocation system will be phased out in due course.

Although none of these policies are new, some were proposed a few years ago, they have never been implemented in an effective manner. But for preparing a smooth start for the prospective price reform—the core of China's economic restructuring—they are nonetheless highly necessary and deserve the public's full support.

**Elimination of Political Utilitarianism Urged**  
*HK1209081488 Beijing GUANGMING RIBAO*  
in Chinese 29 Aug 88 p 3

[Article by Li Lin (2621 2651): "An Analysis of Political Utilitarianism and the Expansion of Economic Democracy"]

[Text] Modern society is characterized by the following two principle points: The democratization tendency of political life and pursuing material gain in economic life.

The principle on political democratization and the principle on economic gain have been taken as important criteria for judging the democratization process of a country and nation. The unity of opposites of these two principles has become a complete modern cultural form.

Some theorists asserted that the Chinese feudal autocratic system, which lasted for a long time, gave rise to a lack of democratic spirit and utilitarian mentality in China. On this point I cannot bring myself to agree with them, because the principle of democratization and the principle of material gain can be seen in every aspect of China's social life. But the problem is that these two principles have appeared in a distorted form. To put it more specifically, the principle of material gain that should have manifested itself in economic life has appeared in political life and the principle of democratization that should have manifested itself in political life has appeared in economic life. This distorted form finds expression in the following two points:

1. Political utilitarian mentality. People generally regard political rights as something closely connected with their personal interests. When one becomes an official, he will have all sorts of privileges, and the higher his post is the more benefit he will realize. For example, he will have the privilege of going to special stores or being treated in a special ward when sick. Wage disparity is very small between cadres at the sectional, office, and bureau levels, but their material enjoyment is quite different. Therefore participation in political life has become a way of pursuing material gain.

2. The expansion of economic democracy. The change in one's political status is closely connected with his personal interests. Therefore what he gains in economic life is not so insignificant as in political life. A factory director's personal remuneration does not change much even though the factory's output increases by a large margin; if he receives a bonus, he has to explain to everyone where the bonus came from. In the course of production, everyone uses his rights in various forms. If a worker feels discontented with his production group leader or workshop director, he may vent his dissatisfaction on the products he produces, the result being waste and substandard products worth tens of millions of yuan. At most the worker will receive a light punishment or a certain amount will be deducted from his bonus. The same situation can be found in distribution work. There is not much difference between the pay for a producer carrying out complicated production and that for a producer engaged in simple production. The practice of "everybody eating from the same big pot" and "egalitarianism" are marked indications of the expansion of economic democracy.

The appearance of these two principles in a distorted form has constituted a major obstacle to the development of the initial stage of socialism. Political utilitarian mentality is the root cause of bureaucratism and malpractices. Cadres can abuse their powers for personal

gain and those who try every possible means to climb up to higher posts can have their demands met. The expansion of economic democracy hampers production from developing according to the laws of value and commodity economy. An enterprise has too many leaders, and the implementation of an economic measure has to be approved by these leaders and the department in charge. Once the measure produces bad results, these leaders will shirk their responsibility. Therefore people say "although everyone has rights, no one is responsible."

The methods of changing this situation are as follows: 1) It is necessary to use political democratization to resist political utilitarianism. State cadres, People's Congress deputies, and CPPCC members only have the right to listen to the people's voice and to resolve their suffering. They can have remuneration from what they have done for the people, but this remuneration should not exceed the limits of the state. The state should reduce or abolish special payments outside wages. If the relevant cadre complains, this confirms that he has ulterior motives in engaging in politics; he may give up his People's Congress post and run a commercial undertaking. 2) It is necessary to use economic utilitarian mentality to stop the expansion of economic democracy. Developing the commodity economy during the initial stage of socialism will, naturally, contradict egalitarianism. A way to resolve this is to involve everyone's interests in the process of production. The material gain of an enterprise should be combined with that of its employees. Only in this way can the principle of more pay for more work be put into effect. Those who hamper production under the pretext of practicing "democracy," particularly leaders who do so, should be punished according to party discipline and state law for the economic losses they have caused, apart from being given economic sanctions.

**Success of Crime Control Centers Noted**  
*OW1109135688 Beijing XINHUA in English*  
1155 GMT 11 Sep 88

[Text] Beijing, September 11 (XINHUA)—Procuratorates nationwide have handled 355 crime cases based on clues from crime control centers in July and August, retrieving for the state 10 million yuan and 120,000 Hong Kong dollars.

Zhang Siqing, deputy procurator-general of the Supreme People's Procuratorate, said the crime control centers or anti-corruption telephone hotlines operated by 880 procuratorates in the country have received 12,493 reports over the past two months.

The hotline of the Supreme People's Procuratorate has received 544 reports since it was opened two months ago, involving 431 people, including officials at different levels.



So far, Zhang said, the Supreme People's Procuratorate has sent 12 supervisors to eight provinces and municipalities to help handle 14 major cases and the procuratorate itself are handling 24 major cases.

The Supreme People's Procuratorate is now drafting regulations concerning crime reporting work of the people's procuratorates, according to Zhang.

**Commentary on Correctly Guiding Public Opinion**  
*HK1109031288 Beijing ZHONGGUO JIZHE*  
*in Chinese No 8, 15 Aug 88 p 1*

["Monthly Commentary" by Yi Jian (1150 6015):  
"Giving Guidance to Public Opinion Should Be Combined With Press Reform"]

[Text] During the critical period of reform, public opinion is bound to be widely divided. The duties of journalists include paying attention to and correctly guiding public opinion so that the 1 billion people will be united under the banner of "attaining the four modernizations and revitalizing the Chinese nation."

How should we guide public opinion? The Central Propaganda Department recently issued a document which proposed the following three points: First, justly, forcefully, and convincingly publicize the tremendous achievements of reform over the past decade; second, guide the people to make a specific analysis of the problems existing at present; and third, tell the people that we are now at the critical point of reform. The purpose is to enable the people to have a common mental preparation, realize the great risks as well as the bright future while fully affirming the achievements of reform, and make concerted efforts to tide over the difficulties. These views have been proposed in light of the practice of the current reform and the status quo of public opinion, which will serve as the keynote of public opinion and propaganda for a time in the future.

Is this keynote different from our propaganda at the previous stage and is it necessary for journalism to change its keynote? No. The keynote of our propaganda and reports at the previous stage were correct producing positive achievements. The reports covering the Seventh NPC and First Session of CPPCC held 3 months ago won public acclaim which should be fully affirmed. Naturally, the reports at the previous stage were not absolutely perfect and there were defects of one kind or the other. For example, some reports "leaned to one side" and some were lopsided. The question is not whether a report or contribution is right or wrong. The crux of the matter is that journalists should be good at judging the hour and sizing up the situation, being sober-minded, and duly readjusting, strengthening, and improving their reports on the basis of constantly summing up experiences so that they will conform to reality and play a greater role.

Does this keynote mean that we can forsake or relax our efforts in press reform? No. Conversely, we should correctly and effectively guide public opinion and adhere to and deepen press reform. We should continue to implement the "Summary of the Forum on Press Reform" issued by the central leading organs in May of this year. The spirit of the two documents is identical and they complement each other. If the relations between the two are to be considered, the latter "Summary" offers new spheres and contents and sets forth a clear and definite guiding ideology. To properly implement this document and guide public opinion, it is necessary to adopt a series of reform measures which include increasing openness, organizing consultation and dialogue, and giving full play to the supervisory role of public opinion. One of our shortcomings in the past was that whenever a new document came we would abandon the old one. On this occasion, we should combine the two documents, seek unity of thinking, do a good job of reporting news, and promote press reform and journalism.

Guiding public opinion is nothing new to journalists. Because of a lack of study of public opinion in the new situation, we encountered many difficulties in practical work. In addition, a number of new problems remain to be settled. For example, in the new historical period, public opinion is usually many sided. Some people call it leadership opinion, press opinion, street opinion, and campus opinion. Instead of paying due attention to and studying street and campus opinion, we evaded it in the past which resulted in newspaper's opinion being divorced from street opinion. No matter how many articles are issued, it will be difficult to play the role of actively and correctly guiding public opinion in this way. We should go to the streets and lanes to conduct investigations and studies, make an analysis of the state of mind of the people at all levels, and provide answers in connection with them so that newspaper opinion is combined with street opinion. Take another example, the people's demands have changed in the new historical period. Some people say that the masses of the 1950's were receptive and those of the 1980's are thinkers and selective. Whether these formulations are correct or not, our methods of guiding public opinion should change somewhat. While publicizing the achievements of reform in the future, if we continue to follow the old method of publishing lengthy and tedious articles on industry and rural areas, it will produce adverse effects and even evoke a reverse psychology among the masses. Therefore, we should study the mentality of the readers and the art and method of propaganda and make our reports practical and accurate by mentioning achievements as well as shortcomings, pointing out the problems as well as illuminating the prospects. In addition, our reports should be attractive and convincing. While guiding public opinion, there are many problems like these. For example, how should we reflect the popular and difficult points in public opinion, how should we look upon unanimity in opinion and differences in opinion, how should we deal with rushing



headlong into mass action and leaning on one side in public opinion, and so forth. All this should be explored with the spirit of reform and be resolved by gradually deepening press reform.

To guide public opinion, it is necessary to sum up past experiences and use them for reference. Over the past year there have been breakthroughs, developments, and successful experiences in our reports. We should also draw a lesson from the mistakes made during this period. On this occasion, we should earnestly review and sum up past experiences. While summing up past experiences, we may discuss the reports on the 13th Party Congress and the First Session of the Seventh NPC as well as the Greater Xingan Mountain fire and analyse the contributions that have extensive influence on society. For example, following the "Message on Prices" issued by XINHUA NEWS AGENCY at the beginning of the year, many readers wrote letters saying that it explained the price reform situation to the masses, answered the question of common concern, and played the role of actively guiding public opinion. Take another example, "The Stirring Strains of China's Railways" carried in ZHONGGUO QINGNIAN BAO not long ago was a fair and reasonable article which guided public opinion and enabled the masses to acquire an understanding of the railway accidents. There are similar examples in the newspapers, periodicals, television, and radio which should be treasured. Meanwhile, we should probe into the problems of a universal character from our mistakes and shortcomings. For example, how should we produce positive effects from the reports of criticism and exposure, how should we handle the relations between supervision over public opinion and guiding public opinion so that supervision over public opinion will play the role of guiding public opinion, and how should we be cool-headed and never try to excessively increase the masses' expected value. By probing into these problems from our experience and lessons, it will be conducive to improving the level and increasing the effects of propaganda.

The press is a tool of public opinion. It is the responsibility of journalists to correctly guide public opinion. So long as we are sober-minded, have the overall situation in mind, never are muddle-headed about major issues, and forge ahead with the enterprising spirit of reform, we will certainly be able to undertake the heavy responsibility entrusted by history.

**Dissident Writer 'Bo Yang' To Visit in October**  
HK1209012988 Hong Kong SOUTH CHINA  
MORNING POST in English 12 Sept 88 p 6

[By Lai Pui-Yee]

[Text] Dissident author Guo Yidong plans to visit the mainland next month for the first time in 40 years.

Better known by his pseudonym Bo Yang, the 69 year-old author is disliked by both the mainland communists and the right-wing Kuomintang (KMT) of Taiwan.

Born in Kaifeng, Henan Province, Bo will be the first Taiwanese dissident writer to travel to the mainland after the lifting of the ban on visits. The author will be reunited with his daughter after 40 years' separation.

The writer is well-known for his scathing criticism of his own people and Chinese culture. He openly criticised the Chinese as "too conformist, too loud, too cruel and too willing to tolerate injustice" in his famous bestseller, "The Ugly Chinaman."

Bo said only when Chinese acknowledge their flaws will they be liberated from the curse of shortcomings.

First published in 1984, more than 120,000 copies of the book have been sold in Taiwan. On the mainland, five editions were published in 1986 but the book was banned during the campaign against bourgeois liberalisation on the mainland last year.

A party newspaper, the GUANGMING DAILY in its editorial accused Bo of tarnishing the image of China's people and culture.

The writer, who fled to Taiwan after the communist victory on the mainland in 1949, has been critical of both governments across the Taiwan Straits.

In the 1950's, he wrote many novels attacking communism. In the 1960's, he attacked the Nationalist Government in Taiwan. He was accused of being a communist agent in 1968 and there were calls for his execution but he was released after serving nine years in prison.

**University Students Feel 'Perplexed, Confused'**  
HK1309124288 Hong Kong LIAOWANG OVERSEAS  
EDITION in Chinese No 36, 5 Sep 88 pp 17-18

[Article by Song Bin (1345 2430): "What Are Today's University Students of China Thinking About?"]

[Text] Being Perplexed in the Face of Reality [subhead]

"Being perplexed, confused, vexed and helpless are feelings that have always weighed on our minds." This is the complaint of some of the college students of Guangzhou.

A student of the mathematics department of Qinghua University said: "Now, our original sense of values and norm of manners have been strongly impacted. With the old ways destroyed, we cannot immediately find a new road that suits us. This has made us feel at a loss as what to do."

He Zhaotian, a student in the Chinese language department of Beijing University, said: "What are we fighting for? What is the aim in studying? Things that were relatively clear have now become unclear."

In April this year, a number of institutions of higher learning in the area of Hangzhou held a debate on "What is wrong with contemporary college students?" The students of the colleges of Hangzhou summed up what perplexes and confuses college students as "four symptoms." The first is a feeling of being purposeless. In the past, students were educated in hollow dogmas, as far as ideals are concerned. Such dogmas cannot hold their own given reform as reality. But the college students do not know how to foster new ideals compatible with reality. The second symptom is a doubt about knowledge. Knowledge that traditional education imparted to college students no longer applies. But they do not know what kind of knowledge is needed under current conditions. This has in turn brought about the symptoms of lack of drive and of lethargy. There is a vague idea about the purpose of life. Enthusiasm for study is dampened. Therefore, some people are dispirited and depressed and feel life purposeless and empty. Some people cut classes, or drop out. Some divert their energies to dancing, ice skating, and chess and card games. Some abandon themselves to drinking and gambling and even degenerate into breaking laws and committing crimes....

What should be our attitude toward these problems among college students? Some people think that with the deepening of the reform, people's ideology has been undergoing changes in a big way. Various social strata are likely to feel somehow incapable of fitting in. College students with an active mind and a relatively quick response to new things are naturally the first group to show various contradictions.

Some people put things this way: That students feeling perplexed and disturbed is the very manifestation of their taking life seriously. They are looking for a way out, as they strive to adapt to society undergoing reform. They crave independence and yet could not do away with reliance. They thirst for knowledge and yet lack the drive for diligence. They want to make something out of their lives and yet could not find a clearcut objective of struggle.... They are perturbed and infirm of purpose. There is a state of mind marked by conflicts between despair and hope, between stimulation and demoralization, between exploration and fearfulness, and between warmth and coolness. The Absence of a Main Trend and the Existence of Variety [subhead]

Now there is no particularly dominant trend of thought among college students. Many "hot issues" have also tended to become scattered. In 1985, college students focused on the theme "patriotism." Two years ago, the students agitated under the banner of "democratic freedom." Now it is very difficult to find an idea that can call all college students to action.

These are the views of the student cadres of a number of colleges and institutes of higher learning.

Not long ago, the outcome of a survey by the China Science and Technology University among 10,000 students of 17 colleges and institutes of higher learning throughout the country showed that such ideas regarding the aims of study exist side by side: "Being prompted by a desire to revitalize China and pay back the Motherland," "trying to wrangle a diploma as a passport to a good government post," "aiming to rise above the herd and gain higher social position," and so forth. Concerning the philosophy of life, such ideas as "everyone for himself, and the devil catch the hindmost," "put the emphasis on actual benefits and enjoyment," and so forth, occupy a place in the minds of college students.

A student of the Chinese language department of Zhongshan University said: "Now everyone has his own way of thinking and his own plans. Moreover, concepts vary with students of every school term. In the past, there was talk about the 'generation gap.' Now among college students, there is the 'school year gap.'"

#### From Idealism to Pragmatism [subhead]

In regard to the philosophy of life, contemporary college students lay emphasis on not only giving but also taking. They hope that while contributing to society, they can also add to their own worth. In an opinion poll on "What is the worth of life?" the chosen answer of 186 students of the philosophy department of Zhongshan University is: "An individual's contributions to society, which in turn satisfies individual desires." Asked about the purpose of life, more than 50 percent of the students voted for choice: "Be an educated man that has social respect."

College students are no longer reconciled to jobs assigned to them after graduation and professions chosen for them. While pursuing a successful career, they also pay attention to what a working unit can offer in regard to pay, housing, welfare benefits, and so forth. Therefore, enterprises, foreign trade departments and companies that "qualify in three fields"—being full of vitality, high in financial revenue and generous in pay offers—have become the new favorite of college students in their choice of employment. They also turn to individually operated and collectively owned enterprises, so long as the latter give them a chance to assert their own abilities and provide good working conditions.

A graduate of Xiamen University said: "When I first entered the university, my ambition was to be a scientist. Now it seems that this is a bit childish. The state is in need of large numbers of personnel with practical skills. Even as a scientist, a person must also start from the very bottom."

In seeking knowledge, students have also tended to be practical-minded. Social demand and factors related to personal prospects have become the college students' yardstick in weighing the value of knowledge. Therefore, books and courses on practical skills have become increasingly popular.



People in various circles have different opinions on the college students' pragmatism. Some people consider that college students have become vulgar in their quest for actual benefits. On the other hand, some others have high praise for that.

**Hatred for Education Grows and the "Passion for Academic Achievements" Cools Off [subhead]**

Since the beginning of last year, a feeling of being fed up with schooling has spread among college students.

The results of a large-scale survey conducted by Fudan University not long ago revealed that in such prime hours as 8 to 11 a.m., only 40 percent of the students were studying. What were other people doing? The survey showed that 10 percent of the students were shooting the breeze, 10 percent watching movies or videos, 7 percent scanning books of entertainment, and 7 percent talking about love. The rest of the people were doing "other things."

While the sentiment of being fed up with classes has spread, the "passion for academic achievements" has suddenly cooled.

Since the beginning of last year, more than 700 postgraduate students have dropped out. The number of people in the Beijing area that enrolled as postgraduates this year showed a drop of around 1,000 compared with last year. The number of students taking entrance examinations as postgraduates also showed a drop in other areas.

**What is on the minds of college students?**

A postgraduate of the Zhongshan Medical College said in a moanful tone: "We have worked hard for a degree. That is all we get for our efforts. There is nothing to be envied about pay, housing and welfare benefits?" This is representative of the universal sentiment among students.

The reform has brought about a readjustment of various relations of interests. Faced with low pay for intellectuals and a reversal of the order of manual and mental workers in regard to treatment, college students, on the one hand, hope that they can acquire more knowledge. On the other hand, they are disturbed by the problems confronting them in real life, and are worried about their future. Their drive for study has therefore been greatly weakened.

After a student of a class of relatively young people of the China Science and Technology College was accepted as a postgraduate at a research institute, he distinguished himself in his academic performance. His mentor hoped that he could continue studying for a doctorate. But he complained: "After a few more years of study, I am afraid that I may not even have the earning capacity to get myself a wife!"

Lu Zhongxuan, a student of the 84th class of the machine-making department of Anhui Industrial College, had a get-together with more than 20 former middle school fellow students. He found that many of those who had not entered college had become individual entrepreneurs. They smoked well-known cigarettes of the "liangyu" and "jian" brands. They had motorcycles to boast of. By comparison, he was very poor. He said: "Now people have a very low opinion of college education."

The assignment of work after graduation also has a direct bearing on college students' study sentiment. There has been a problem of employment for graduates from majors known for an "oversupply." These graduates feel that they cannot find work, even if they are much better trained than they are now. Many students, especially those from the countryside, have a lot to complain about unhealthy practices and unfair competition in the matter of work assignment.

The many defects inherent in the educational system itself are another reason students are fed up with learning. Such a stereotyped way of teaching as teachers speaking and students taking notes, with everything recited from memory in an examination, and the hackneyed contents of teaching programs have made the students feel that they cannot acquire the kind of knowledge that enables them to compete in society. Cheating on examinations is related to this in a way. "Passion for Trading" [subhead]

Between April and May, the students of Xiamen University established on their own around 10 companies, including the Nanqiang Company, the Tourist Company, the "Haizi" Acoustics Company, and so forth. Various operating activities were carried out. The three-story student dormitory of the southwest building of the Beijing Normal College became "a commercial dormitory." On the door, there were advertisements about "color printing," "sewing," and so forth. At noon and at nightfall, there was a bustling scene. The "delta" of Beijing University became "a trading center." Here the students set up stalls selling garments, books, magazines, beverages, and various other commodities.

The students' operating activities are of a varied nature. Some of the students operate coffee houses and bookshops. Some act as managers and agents. Some run small businesses. Some individual students set themselves to reselling for profit television sets, refrigerators, rolled steel, chemical and industrial raw materials, and other commodities in short supply. They cleared a tidy profit of a few thousand yuan at one fell swoop.

It is understood that not many students are involved in trading. But this "trading fever" has produced a widespread and strong impact on students' thinking.

Trading is for the purpose of "earning money." Students mince no words about this. Commodity prices go up. The monthly cost of living for students ranges from 50 or



60 yuan to 70 or 80 yuan. Some families with a low income can hardly bear the burden. A student of Beijing University, who once traded in garments, said: "To promote the independence of students, there must first be economic independence. We are hard put to ask the family for money. We have to rely upon ourselves."

A still closer look shows that the "trading fever" among college students has in it a new hidden change in concepts.

Xiong Guoxiong, a student of the history department of Zhongshan University, said: "In the past, we felt embarrassed peddling some New Year's cards. Now trading in anything is a matter of course. The strengthening of the sense of trading has smashed the traditional concept that discourages scholars from getting involved in money matters and in trading. It is a big stride forward for college students from empty talk about trading to actual involvement."

A female student of the journalism department of Fudan University said: "I have never been in business. But I have great admiration for students involved in business. In the past, we theoretically inherited the traditional concept of trading. Now those students going into business have made a breakthrough in their action."

"Having a good head for business" seems especially important to college students today. College students craving to acquaint themselves with society want to improve through trading their own capacity to adjust to the development of the commodity economy.

Zhong Shifu, a student of the economics department of Zhejiang University, failed in his two business ventures. He said from experience: "Trading is not the forte of college students. But getting acquainted with society through trading is an extremely good practice. In trading, I kept in touch with individual operators, enterprise salesmen, and various types of people. I saw something that lies deep in the commodity economy. I really tasted the bitter and the sweet in trading. This is what other forms of social practice cannot bring us. Despite my failures, I have benefited immensely."

#### A Rising Trend Toward "Social Intercourse" [subhead]

College students' social activities have never been so widespread as today. The tentacles of contemporary college students' social activities have extended from the campus to various fields.

The notebook of a student of the Chinese language department of Beijing University was filled with the addresses and telephone numbers of various big publishing houses of Beijing, and the names of their directors. He kept in constant contact with these publishing houses.

With the "craze for social intercourse," many students have begun printing their own name cards. In the office of the student union of Beijing University, this reporter saw a specimen of a student's name card. Zhou Yanjun, chairman of the student union explained: "This is specially designed for students. Anyone who needs it can arrange printing with us."

Books on public relations have become hot items among college students. Many colleges have established public relations associations, with an ever growing membership. The CYL Committee of Beijing University started this year a public relations training class. During two lunch hours, more than 500 people enrolled. The hall with a seating capacity of more than 800 people was filled to capacity, as each lecture was given.

Perhaps, the college students in the past laid too much emphasis on reading. The students of today have directed more energy toward developing actual skills. Of various skills, the art of getting along with people is the most cherished. The students that this reporter contacted all think that how to get along with people now has a very important effect on a person's future. Shi Haining, a student of the economics department of Zhejiang University, said: "Many students have been unsuccessful in handling matters, because they cannot mix well with others. Getting along well with all those around them is a matter of unusually great importance for college students."

With the mechanism of competition brought to the institutes of higher learning, some schools have begun to tentatively carry out reforms with regard to the assignment of work to graduates, such as "a meeting between the prospective employer and the prospective employee, with the choice left to both sides," "assigning work beforehand," and so forth. In taking up social challenges, college students have felt that how to mix with people and introduce themselves is no small matter. Instead, it is a major issue bearing on their own future. A female student, who joined a public relations training class offered by Beijing University, said: "The more I learn the better I can compete in the world."

#### Article Analyzes Role of Abstention in Voting HK1109062088 Beijing GUANGMING RIBAO in Chinese 29 Aug 88 p 3

[Article by Zhang Mingshu (1728 2482 3412): "'Neither For Nor Against'—An Analysis of Abstention"]

[Text] Voting is indispensable to democratic politics. Where voting is concerned, abstention is inevitable. At first glance, abstention stands for "neither for nor against." But a question arises with second thoughts, why should there be abstention in voting when ayes and nays seem to be effective enough? China is at present building democratic politics, and all citizens have a

chance to vote. Thus a clear understanding of the significance of abstention is very important in the accurate expression of the citizen's opinion to effectively exercise democratic rights.

Is abstention positive or negative? The question affects people's assessment of abstention, and largely determines whether they are willing to practice abstention in voting.

More often than not, people think that abstention does not make any sense. People say aye in the hope that a bill will be adopted, while saying nay to veto a bill or to express the hope of adopting another. What does "neither for nor against" mean? It means nothing being said about something. In fact, such an understanding is not quite accurate. Abstention expresses the opinion of the voter, just as a positive or a negative vote; however, only abstention shows not just a single, but a category of opinions. Take the election of personnel to public offices for instance. Investigation has shown that more often than not abstainers would be expressing the following opinions: 1) Nothing was known about the candidate; thus making it very difficult to say either aye or nay. 2) None of the candidates are satisfactory; but the nomination of other candidates was impossible (because a nomination would often involve a certain number of people seconding the nomination.) 3) There was no objection regarding the candidate; however, something was irrational or illegitimate about the election procedures. It was hoped that proper procedures would be maintained while avoiding the expression of opposition against the candidate. 4) The candidate was nominated by one's own political party, but one found the candidate unsatisfactory; however, it was inappropriate to vote against the candidate because of party discipline, so on and so forth. It would be impossible to list all the opinions of abstainers. Because of different situations, opinions can vary between for and against. However, they share one thing in common—namely, the expression of "neither for nor against."

Therefore, abstention does not mean nothing being said about something, but much has been expressed. Abstention is by no means negative.

Some people found abstention to be negative, on the grounds that abstention is "vain." In other words, abstention is inconsequential to voting. They believe that saying aye will be helpful in adopting a bill, while saying nay will stop its adoption; and abstention, which expresses "neither for nor against," is the waste of a vote. Hence, abstention means giving up one's right. Such a view is wrong, too, and a misunderstanding derived from lacking experiences of the rules of democratic politics. It will not be easy to explain it in a few words; perhaps an example will help to illustrate.

Supposing 100 constituents participate in the voting on a bill, and the law stipulates that the bill be adopted with 51 positive votes. Now there are 49 ayes and 49 nays in

the ballot, with two of the voters not knowing the conditions. Should these two say aye out of certain considerations, the bill will be passed, and the opinion of the 49 negative votes will have no effect. But if the two should say nay, the bill will be vetoed. This leaves the impression that the majority have cast negative votes, whereby a new bill may be formulated based on the opinions of the majority. But if the two insist on their right to know the conditions, and abstention is used to express such an opinion, the bill will not be adopted as such, and must be open to deliberation, discussion, and revision. While in the course of deliberation, discussion, and revision, abstainers may propose their demand to understand the conditions. Obviously, the latter choice will lead to a better result in line with the purpose of the democratic system. Therefore, we can see that abstention is consequential. In fact, the effects of abstention go far beyond that. Where abstention is involved in the voting on a bill, which is open to fresh deliberation and discussion, those abstainers are not regarded as the opponents by those who had said aye as well as those who have said nay. Therefore, abstainers will often become targets to win over. The abstainers will often lead to the two opposing sides revising their advocations, while a complete and perfect bill will be on the horizon. This is a very delicate design in the building of democratic politics.

Therefore, the significance of abstention in the voting system is twofold. First, to give full play to democracy. Without abstention, the voters would have to choose between aye or nay regarding a bill, while it would be impossible for many opinions between ayes and nays to find expression. And second, a "brake" mechanism is built into the decisionmaking process by adopting the voting system. Another example suggests: Supposing 100 constituents participate in voting on a bill, with 51 positive votes and 49 negative votes. The adoption of the vote can be said to be rational. Should there be 50 positive votes, 30 negative votes, with 20 voters failing to know the conditions, the adoption of the bill can still be rational. But if there are only 40 positive votes, 20 negative votes, while the other 40 voters know nothing about the conditions or have doubts about the procedures, the adoption of the bill under such circumstances could not be said to be prudent. With abstention, those who know nothing about the conditions or have doubts about the procedures may air their views, while their abstention, along with the negative votes will create a chance for the fresh deliberation of the bill. If we change the proportions of the three categories and make some rearrangements while imagining the results of the ballot, we will find that to make a bill open to fresh deliberation, the less negative votes there are, the more abstentions are involved, and vice versa. This shows that, regarding the voting of any bill, if the gap between the number of positive and the negative votes are great, and those who take a "neither for nor against" attitude are few, the latter category will not carry any weight in adopting or negating the bill. But if those who take this attitude are numerous, together with a certain number of negative votes, and these two categories have made the adoption

of the bill an unwise action, an opening to a fresh deliberation of the bill will be involved.

Now the question is clarified: Abstention is an indispensable component part of the voting system. Without it, the democratic political principle of "the majority rule" as pursued by the ballot system will be impossible, while the system itself will be incomplete and imperfect.

The vote-casting rate in the "political" ballot is comparatively high in China. But the quality of the ballot is more often than not unsatisfactory. In cases in which one has personally voted for a candidate, one could not help complaining about him. One of the important reasons for such a phenomenon is the failure to correctly practice abstention. If the voters could understand the why and how of abstention, and practice it correctly, the quality of election in China can be improved considerably. For a long time, we have been used to the way of thinking characterized by "either the East Wind prevails over the West Wind, or vice versa," and the law that "one divides into two," with no room for compromising. Whereas abstention embodies the spirit of pluralism and tolerance. This is a concept we are not familiar with, we did not appreciate it in the past, but it is precisely what we need in the building of democratic politics.

**Zhao, Other Leaders Attend Businessman's Funeral**  
*OW1309170688 Beijing XINHUA in English*  
1501 GMT 14 Sep 88

[Text] Beijing, September 13 (XINHUA)—More than 2,000 people, including some Chinese leaders, attended the funeral today of Jia Shi, one of China's business leaders.

Jia Shi, president of China Council for the Promotion of International Trade (CCPIT) and president of China Chamber of International Commerce (CCIC), died of a sudden heart attack on September 4 at the age of 69.

His other posts included memberships of the Standing Committee of the Chinese People's Political Consultative Conference National Committee and of the Committee for Drafting the Basic Law of the Hong Kong Special Administrative Region.

A native of Jiangxi Province, Jia was born in October 1919. He joined up the anti-Japanese troops in the winter of 1937 and became a member of the Chinese Communist Party the next year.

During the war against the Japanese aggression, Jia carried out financial and trade work in northwestern China. From 1946, he began to hold leadership posts in foreign trade, first in the liberated areas of the northeast and then in the trade ministry of the central government after the People's Republic was founded.

In January 1986, Jia was made president of CCPIT and the chairman of the Foreign Economic and Trade Arbitration Commission.

Due to his achievements in helping China to expand its trade and economic and technology cooperation with the rest of the world, Jia was awarded several high honors and medals by foreign governments and institutions.

Chinese leaders including Zhao Ziyang, Li Peng, Li Xiannian, Yao Yilin, Wang Zhen, Tian Jiyun and Bo Yibo came to the Babaoshan Cemetery to pay their last respects to Jia.

Deng Xiaoping, Yang Shangkun, Chen Yun and some other Chinese leaders sent wreaths to the ceremony.

Others attending or who sent wreaths included some representatives of government departments, Chinese and foreign businesses, and some noted economic figures from Hong Kong and other countries.

**Zhao, Li Peng Send Wreaths for Late Eye Doctor**  
*OW1109143788 Beijing XINHUA Domestic Service*  
in Chinese 0259 GMT 11 Sep 88

[Excerpt] Guangzhou, 11 Sep (XINHUA)—A memorial meeting for Professor Mao Wenshu, noted ophthalmologist and director of the Zhongshan Ophthalmology Center of Zhongshan Medical College, was held in Guangzhou on 10 September. Professor Mao Wenshu died on 1 September at age 78.

Zhao Ziyang, Li Peng, Li Xiannian, Deng Yingchao, Nie Rongzhen, Yao Yilin, Jiang Hua, Yu Qiuli, Chen Xilian, Xi Zhongxun, Ngapoi Ngawang Jigme, and Gu Mu sent wreaths. [passage omitted]

**Tian Jiyun Visits Flood Control Workers**  
*OW1109133988 Beijing XINHUA Domestic Service*  
in Chinese 0754 GMT 10 Sep 88

[Text] Beijing, 10 Sep (XINHUA)—This morning, Tian Jiyun, commander in chief of the Central Flood Headquarters and vice premier of the State Council, visited the Ministry of Water Resources, and on behalf of the State Council and the Central Flood Headquarters comforted the staff at the Office of the Central Flood Headquarters.

Vice Premier Tian told them warmly: Your task is arduous and you have worked very hard. By working day and night and enduring many sleepless nights you have contributed much to the fight against flood and drought. China has been hit by many disasters this year but none has involved a big accident. This can be attributed to the efforts of the governments and flood control organizations at all levels under the leadership of the CPC Central Committee and the State Council.



Tian Jiyun said: There were experiences that were worthy of mention in this year's fight against flood. The floods in Nenjiang and Xijiang revealed many weak points in urban flood control. We should, in summing up experience, try to discover our weak points. We should make preparations for flood control work so as to avoid being caught unprepared in next year's flood season.

After visiting the flood control duty room, Tian Jiyun said: Your command room is rather simple and not modern enough. You should try to gradually upgrade it. It is very important to have a modern duty room. You should improve conditions in the duty room and for the people on duty.

**Tian Jiyun, Li Guixian Visit Export Fair**  
*OW1109145288 Beijing XINHUA Domestic Service in Chinese 1720 GMT 10 Sep 88*

[by reporter Yang Like, Li Xiaogang]

[Excerpts] Beijing, 10 Sep (XINHUA)—Vice Premier Tian Jiyun and Vice Chairman of the Central Advisory Commission Bo Yibo tonight zestfully visited the national light industrial export commodities fair. They praised the fast growth of China's light industrial exports in recent years and the success of the export fair.

Tian Jiyun said: Guangdong and the coast regions have a strong sense of commodity economy. There is great momentum for the development of light industry and the export of light industrial products. [passage omitted]

Xi Zhongxun, Zhou Gucheng, Yan Jici, Liao Hansheng, Li Guixian, Wang Renzhong, Hu Ziang, Ma Wenrui, and Sun Xiaochun also visited the fair.

**Li Tieying Meets Demographers in Beijing**  
*OW1309001788 Beijing XINHUA Domestic Service in Chinese 1437 GMT 8 Sep 88*

[By reporter Yu Changhong]

[Text] Beijing, 8 Sep (XINHUA)—A workload involving 40 billion words, producing 45 million pieces of data, and yet having an error of only 1.27 parts per thousand—such was the success of China's third national census conducted in 1982, that demographers from many countries have continued to praise it..

The third national census of China has remained fresh on the minds of some 40 experts and scholars attending the 12th Asia-Pacific Regional Forum on Census Work. They spoke of this today during a meeting with State Councillor Li Tieying. Li Tieying indicated that China wishes to learn from the valuable experience regarding census work in every country in order to successfully carry out its fourth national census scheduled for 1990.

The Asia-Pacific Regional Forum on Census Work was sponsored in 1972 by the United States East-West Center to exchange experiences and promote further development in census work. This forum was the 12th, and was held in China for the first time on 5 September. It was attended by representatives from 18 countries, regions, and related organizations.

The director of the State Statistical Bureau Zhang Sai was also present at today's meeting.

**Wan Li Presides Over 'Race Against Time'**  
*OW1109201788 Beijing XINHUA in English 1644 GMT 11 Sep 88*

[Text] Beijing, September 11 (XINHUA)—Wan Li, chairman of the Standing Committee of the National People's Congress of China, lit the torch at the starting ceremony of the "Race Against Time" campaign here this evening.

The race, aimed at raising funds for bettering the lives of children and combatting starvation around world, began simultaneously in some 300 cities in the world at 15:00 GMT.

Wan Li presided over the starting ceremony here where about 1000 Chinese and 40 foreign residents took part in the race. The race was also held in many Chinese big cities such as Shanghai, Guangzhou, Chengdu and Jinan.

It was the first time for China to participate in the race, a part of the global Sports Aid '88, which was sponsored by the global sports aid fund based in London.

Meanwhile, 256 children under the age of 14 from 128 countries and regions were invited to kindle the starting fire at the United Nations Plaza, including two teenagers from China.

**Workers Perplexed, Angered by Unemployment**  
*HK1309133088 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 36, 5 Sep 88 pp 5,6*

[Article by Shi Yongfeng (2457 0516 1496) and Xiao Binchen (5618 2430 5256): "Chinese Workers Faced With the Perplexity of Unemployment"]

[Text] Since the founding of New China, unemployment has always been regarded as an outcome of the capitalist system. But now it has become a part of the workers' life.

In Qingdao, a coastal city, some 10,800 workers have lost their jobs after a labor reorganization in more than 500 enterprises.

In Shuzhou, a city in Hunan Province, 40,000 out of the 260,000 industrial workers have left their posts and are awaiting jobs in the labor market.

In Shanghai, China's major industrial city, about 30,000 jobless people are living on subsidies...

After a recent visit to some unemployed workers in six provinces and cities, including Shandong, Hunan, and Shanghai, we have the impression that Chinese workers, most of whom are not at all prepared for the sudden loss of their jobs, are greatly shocked and affected by unemployment.

#### Bitterness of Unemployment [subhead]

"This was an unexpected blow," an unemployed worker told the reporters. "We never expected that reform would break our own rice bowls!"

There were all kinds of reactions toward unemployment.

Some people threatened to blast away the plant directors' offices, some said they would kill themselves in the directors' homes, and some even threatened to kill the wives and children of the directors... Like an infuriated lion and with a kitchen knife in hand, a young worker who had been dismissed from a rubber goods factory in Huangshi City, Hubei Province, broke into the director's office and put his knife in the latter's neck, shouting: "Why should you smash my rice bowl?" "I need to work! I need to eat!"

Some people were unable to extricate themselves from the bitterness of unemployment. After becoming "surplus personnel," a female worker in Zhuzhou, Hunan Province, felt that she could not even raise her head in front of other people, including her husband, children, and neighbors. She left her home quietly and poisoned herself. If not saved by others, she would not have escaped death.

Unemployment has caused a "chain reaction." Some unemployed workers in Qingdao and Zhuzhou have gotten into more troubles at home. They often quarrel with their wives, who want to be divorced...

#### The Smashing of Old Concepts [subhead]

After visiting many unemployed workers we found that although most of them are still able to support their families and still have food and clothing, they feel very pained after losing their jobs. They feel pained because the most sacred concept of the past decades has been smashed all of a sudden and they are unable to straighten out their thinking.

"Unemployment is a special outcome of the capitalist system. Why should it happen in our socialist country?" a young jobless worker in Qingdao questioned the plant director justly and forcefully after finding the "theoretical basis" from Marx's works.

An old worker in Yichang, Hubei Province, who often gives reports to young workers advising them to recall past sufferings and think over the source of present happiness, asked: "From the very beginning of the revolution, the Communist Party promised that 'all people will have things to eat and jobs to do.' Why should it go back on its word now?"

In Qingdao, we visited a retired worker. The old man, looking unhappy and depressed, was drinking wine when we entered his house. His son was dismissed from a factory half a year ago. Now his son was all right after being vexed for a period of time, but the old man was quite another matter. His wife complained: "He was very happy some time ago, growing flowers, keeping pet birds, and humming old tunes. But since his son became jobless, he has changed a great deal, striking tables and chairs all day long and getting drunk and scolding others." The old man said angrily: "I am angry. I am worried to death, not only for the sake of my child, but also for the sake of our country. Did we not say that socialism is superior? Why has it become the same as the old society?"

Pains caused by the smashing of concepts are much harder to bear than those caused by unemployment.

The concept that the superiority of socialism lies in providing everyone with jobs and food has been deeply engraved in the Chinese mentality, just as common as the formula that "one plus one makes two." It is a concept worshipped by many people. Its sudden smashing will naturally cause great pains and perplexity among the Chinese workers. However, very few of them have ever given thought to the negative effects that kind of superiority has brought to our society and the damages it has brought about to the enthusiasm and centripetal force of people that are necessary for an undeveloped country in the stage of taking off.

In many factories, we often heard different people reciting the same doggerel: "The factory is our iron rice bowl, where we get three meals a day whether we go fast or slow." We also often heard plant directors complaining about overstaffing and low work efficiency. Experts said that the per capita GNP of Mainland China was just about \$480, or 1/7 of the GNP of South Korea, 1/12 of that of Taiwan, and 1/50 of that of the United States. As far as the per capita GNP is concerned, China has long been ranked in the world in a position of about 20th from the bottom.

Theoretical workers held that in a socialist country, a worker's position is two-fold: He is the master and the employee at the same time, only that he is not employed by a capitalist but by his own country. It is thus natural that an employer can fire its employees, if this relationship of employment is recognized.

#### There Are Still Some Ways Out [subhead]

Pains caused by the smashing of "concepts" have begun to flag. More unemployed workers have begun to face squarely the reality before them: They have lost their jobs! The socialist system is no longer a dependable safety net. Many of them have raised their heads again and begun to seek new ways out. Huang Qingfen, a former female worker of the Qingdao Tea Factory, no longer weeps over her misfortune. She went out of her house and began to sell seafood on the seashore or hawk her wares in the streets. She did so 5 to 6 hours a day and earned about 20 to 30 yuan. She said: "Now many people, including some party members and factory cadres, are taking this same route. When we meet we often say: 'Thanks to unemployment, we have been driven onto this new road.'"

Zhang Ying, who became an individual trader after losing her job in a factory, told the reporters that she had never dreamed of selling things in the streets before. In the past she always thought that employment meant working in a state-owned factory and it was a disgrace to sell things in the streets. But now she found that this was an even better road.

Some of the unemployed workers have become peddlers, some have contracted shops and restaurants, some have found new jobs in collective and township and town enterprises, and some have entered schools at their own expense to study new technologies... Great changes have taken place in the concept of employment.

The pressure for those "semi-unemployed" workers in the factory's labor market was even greater. They still had six months to wait for a new assignment. Their final way out would be determined by how they did their jobs in the factory during this period.

An 18-year-old girl in a machinery plant in Wuhan was late for work on more than 80 occasions a year before the new labor reorganization in her factory. She thus became one of the surplus laborers awaiting work in the labor market. But after that she was entirely changed. Everyday she went to the factory on time and studied technology very seriously. Later she regained her job and became a skilled worker.

There were still some other people who were cherishing unrealistic illusions about the system of the big rice pot. In Qingdao, when we asked a young man why he was not looking for a job, he shook his head and said: "Engaging in small business is not safe. One may earn money but may also lose money. Moreover, if I am engaged in certain businesses, I will lose my relief fund, which is more than 30 yuan a month!"

I was astonished at what he had said. That he was only about 20 but could have such an idea! It seems that the old employment system has not only passed on the iron rice bowl to the younger generation, but has also passed

on the mentality of inertia to them. It is easier to smash the iron rice bowl, but not so easy to smash the mentality of inertia. It will be a very arduous task.

Reform of the labor and employment system is not opposed by all. Some people feel that it is a good opportunity for them to select more suitable jobs. Luo Zigang, a worker of the Zhuzhou Spark Plug Factory, demanded of his own accord to become one of the surplus laborers awaiting a job in the labor market. He then chose a more suitable job for himself from the five units ready to hire him. Wu Jian, a young worker in Qingdao who was fond of arts and crafts since childhood, also gave up his work as an accountant in a factory and opened a shop himself. They all told the reporters: "If I had not lost my job this time, I would not have been able to find a more suitable job for my personal development."

Pains Caused by Unemployment Have Just Begun To Be Felt [subhead]

People often use the expression "labor pains" to describe China's reform. To the Chinese worker, the pains caused by unemployment have just begun to be felt.

Some workers said: "At present, things are only half reasonable. The enterprises have the right to fire workers but the workers have no right to choose enterprises and plant directors. The fate of workers is still in the hands of others."

As China's reform of the labor and employment system is just in its initial stage and there are still no real and dynamic labor markets, systematic and perfect banks of talents, and professional employment agencies, it is difficult for the unemployed workers to find new jobs. That is why the workers are afraid of losing their jobs.

There are no perfect labor arbitration organs. How will the disputes on the question of employment and unemployment be settled?

A real social insurance system has not yet been established. How can the basic life style of the unemployed be ensured? How can women workers, old workers, and weak or sick persons feel secure about their future?

A woman worker, who had been dismissed by a textile mill in Shanghai, was suffering from leukemia. But if she wanted to be hospitalized, she had to pay 5,000 yuan in advance. Unable to afford this, she could only stay at home, letting her health deteriorate day by day.

But who should take care of this matter? The factory where she once worked said that according to regulations, it was not its business because she no longer had any relation with the factory since she became unemployed. The labor insurance department said that she was not in the category of people entitled to receive relief funds, because she was not fired nor did she leave the factory due to the termination of her contract. The civil



administration organ refused to handle her case because she was not an orphan, nor widowed, nor disabled. The city federation of trade unions said that although she was a member and should be taken care of, the federation could not afford so much money...

When we left Shanghai, the woman worker was still lying in bed, moaning and groaning. Many other unemployed workers were talking about her with a heavy heart: "Looking at her and thinking of ourselves, we are trembling with fear."

There is still a host of problems. Everyone is facing a crisis. The shock wave of unemployment has just arrived...

**Bank Circular on Long-Term Deposit Subsidies**  
OW1109142488 Beijing XINHUA Domestic Service  
in Chinese 1159 GMT 8 Sep 88

[Text] Beijing, 8 Sep (XINHUA)—People's Bank of China Circular on Supplementary Interest Rate for Long-Term Renminbi Savings Deposits in the Fourth Quarter of the Year

The supplementary interest rate to compensate for losses in value for the fourth quarter of this year (including 10 September to 31 September) is hereby announced:

In accordance with the State Statistical Bureau's calculation of the increase of the general index of retail sales and service prices in the second quarter over the first quarter, the supplementary value-loss compensatory interest rate for savings deposits of 3 years or more for the fourth quarter of this year will be fixed at 7.28 percent. Depositors whose three-year, five-year, and eight-year savings deposits mature between 10 September and 31 December this year will receive supplementary interest of 7.28 percent for their deposits during the period between 10 September and the date of maturity, in addition to receiving interest according to the prescribed original rate.

The People's Bank of China

8 September 1988

**Property Rights in Merging Enterprises Discussed**  
HK1209041488 Beijing GUANGMING RIBAO  
in Chinese 27 Aug 88 p 3

[ "Article by Ye Jinsheng (0673 6855 3932) and Zhang Hansheng (1728 3352 3932): "Specifying Property Rights in Merging of Enterprises" ]

[Text] A merger of enterprises is conditional on deleting the corporation status of the enterprise merged, and the merging enterprise bearing the losses and liability of the former. It is one of the ways in which the property rights are transferred. Usually payment is made for the transfer. When this transfer is made with compensation, it gives rise

to the problem of who owns the property rights of the enterprise merged. If this problem is not settled, it will directly affect the development of enterprise mergers.

It is understood that retained profits are the source of funds used to pay for the transfer of the property rights. Under the system of retained profits, the enterprise is allocated some returns from the assets, thus actually separating the state from the enterprise with respect to the property rights. The enterprise pays for the transfer of the property rights of the enterprise merged using the property rights—a part of the returns allocated to it. Since the enterprise does not make the payment out of the state purse, the property rights in question should belong to the enterprise. Otherwise, enterprises will not be interested in acquisitions, and the practice will go nowhere. It is improbable that if an enterprise is not entitled to a share in the property rights which it has purchased with its own funds, it will make another purchase. Instead, the enterprise will try its best to prevent its own funds from being turned into national assets, or slow down this process; on the other hand it will reduce investment in production, convert the lion's share of its funds into consumption funds, and increase the incomes of its employees. This is the root cause of the enterprise's short-term behavior and the inflation of consumption funds. If the enterprise possesses the property rights it has purchased with its own funds, and the staff will definitely benefit from the appreciation of the property, people will surely concern themselves with expanded production and appreciation of assets, and the enterprise will vigorously seek opportunities for expansion.

As far as the relations between the means of production and the products of labor are concerned, the means of production do not create wealth on their own, but only when they are combined with labor. It is in this sense that possession of the means of production is different from possession of the products of labor. They are not equal. It is true that the means of production of state-owned enterprises are owned by the whole people, but if they are not joined by human labor, they cannot produce. The same means of production will also turn out different products if they are joined by human labor of varying qualities. Products of labor have everything to do with the quality of human labor. The portion that exceeds socially necessary labor in fact belongs to the laborers. In large-scale socialized production, products are made by collective labor in enterprises rather than by individual labor. An enterprise is not only an aggregation of essential factors of production, but also an aggregation of human labor elements of varying qualities. Only when different human labor factors are brought together, will production of products become possible. Therefore, products of labor not only belong to the whole people, but also belong to the enterprise that provides human labor. Within ownership by the whole people, products of labor also belong to different parties. This is an objective fact independent of man's will.

Judging from the nature of the enterprise's retained profits, retained profits are compensation and reward for

successful enterprises. It is impossible for losing enterprises to have retained profits. Some hold that the enterprise's retained profits come from management using state funds, so they should belong to the state. In fact the gains the enterprise manages to obtain by using state funds are turned over to the state in the form of taxation and through attaining the contracting or leasing quotas.

The products produced by human labor and that part of the means of production the enterprise purchased with its retained profits should belong to the enterprise. According to the regulations of the state, retained profits belong to the enterprise and are at its disposal. Why is it that the property rights the enterprise has purchased through acquisition, using retained profits which are its according to the specific regulations of the state, should not belong to the enterprise? Since there is no change in the ownership of the funds, there should be no change in the ownership of physical goods.

In terms of the exchange principles of commodity economy, China's existing level of productive forces is comparatively backward: Business administration capability varies from enterprise to enterprise; individual enterprises whose profit rates are lower than the average social profit rate outnumber those which perform otherwise; clear contradictions are found between the joint labor of individual enterprises and social labor; and the labor of enterprises can only be transformed into social labor through commodity exchange instead of directly finding expression in social labor. Therefore it is in conformity with the requirements for commodity production for an enterprise to own the property it has merged. Again the primary principle of commodity economy is the principle of exchange of commodities of equal value. By this principle, when a commodity is exchanged, the ownership accordingly changes. When an enterprise is sold in the market as a commodity, the ownership of the enterprise changes likewise. A commodity whose ownership cannot be changed cannot go on the market. Nor should it be regarded as a commodity. Through the above analyses we believe that it is theoretically tenable for an enterprise to own the property it has purchased through acquisition using its own money. In practice it is also needed and workable.

Will the practice by which the merging enterprise owns the enterprise merged affect the character of the state-owned enterprise? In our opinion, the enterprise which possesses the property rights of part of its assets remains publicly owned by nature. Enterprise ownership has a much higher level of public ownership than collective ownership. The property owned by an enterprise is in fact owned by society, and the nature of public ownership remains unchanged. If the state tries to prevent the share of the enterprise in the assets from expanding, it can do so through economic means such as taxation and interest rates.

**Commodity Economy Requires Futures Market**  
*HK1209091488 Beijing RENMIN RIBAO in Chinese*  
5 Sep 88 p 5

[Article by Chang Qing (1603 3237): "Brief Discussion on Establishing the Futures Market"]

[Text] Futures market refers to a market for contracts to buy or sell a commodity at a stated price at some future time. The commodity is not brought into the futures market. What is bought or sold is the futures contracts. The futures market of a certain commodity refers to the well-organized exchange of this commodity. This exchange provides a continuing and stable market for the futures transactions. The trade of commodity futures sprouted in the age of the ancient Roman Empire. Before crops were harvested, city merchants often placed orders with farmers in advance, and then completed the transactions after the harvest. The buyer placed an order and the seller delivered the goods through a middleman, who was authorized by both sides to supervise the implementation of the contract and to guarantee that the buyer would pay and the seller would deliver the goods at due date. The market similar to modern futures trade appeared in Japan in the 17th century; and the birth of the modern futures markets was marked by the founding of the Chicago Butter and Egg Chamber of Commerce in 1848. It was later renamed the Chicago Commodity Exchange. In the 20th century, more and more commodities can be traded in futures. They include cereal, cotton, sugar, edible oil, livestock, timber, nonferrous metal, and petroleum. In 1972, foreign exchange and securities could also be traded in futures. At present, there are more than 70 commodity futures exchanges. The dealings in these exchanges account for 15 percent of the world's total trade volume; and the prices in 85 percent of the farm product transactions in the world are fixed according to the futures prices.

So far, no futures market has yet been set up in socialist countries. Why does our country put forward the task of establishing a futures market? I think that this is an objective requirement in the development of the commodity economy and the economic reforms in our country. First, after our rural reforms began, a double-track price system appeared. Grain and cotton are subject to both state purchases and free market transactions. Such nonstaple food as pork and such cash crops as hemp have also gradually been subject to market regulation. The double-track price system is also applied to the means of production. After the reforms promoted the commodity economy, the prices of some farm products and the supply and demand of these farm products fluctuated violently. This state of affairs requires us to perfect the market mechanisms. Second, in the vast territory of our country, agricultural production is relatively scattered. In particular, rural households are now independent producers. If each of them increase production just a bit, farm products may be oversupplied; but if they reduce production just a bit, there may be a shortage. It is hard to rely on the means of planning to coordinate such



widely scattered production. So we must give full play to the role of the market. Practice in recent years showed that the post-production regulation of the spot markets could hardly play a role in guiding production because they did not allow people to clearly see the real market conditions. Third, our structural reforms have entered the stage of building a new structural framework, and need to complete the change in the economic mode as soon as possible. So the market mechanisms must be perfected in light of the objective laws that govern the development of the commodity economy. According to these objective requirements in economic development and structural reform, we clearly pointed out the necessity of deepening the reforms for building a perfect market system in theory in 1985 and adopted practical measures for this purpose. For example, we adopted the measure for integrating production with marketing, fixed the lowest protection price for some products, increased the storage capacity to regulate the market supply, organized some wholesale markets, and gave financial subsidies for some items. Although these measures achieved certain results, they still did not solve such problems as the lack of a market signal for preproduction regulation and the failure in helping producers and dealers prevent the risks on spot markets. The development of the commodity economy requires the emergence of the futures market.

The futures market will play three major functions: First, it will provide a means for producers, dealers, and consumers to guarantee their income and hedge their business risks. This will help protect the interests of producers and dealers. Second, it will give market signals for preproduction adjustments, thus mitigating the fluctuation of supply and demand in the next cycle. Because futures dealers will buy or sell a commodity which is delivered at a future time, they must collect a large quantity of information to analyze the factors that will affect the price and the supply and demand of this commodity in the future period, and the futures transactions based on the collection of a large quantity of economic information will greatly increase the openness of the market, which can thus give guidance to production in the coming cycle, thus reducing the blindness and mitigate the price fluctuation and the supply and demand fluctuations.

Third, it helps prevent the price fluctuations caused by monopoly, time differences, and regional factors, increases the openness of the market, and ensures the forming of fair prices. Because of the principles of concentration, openness, and fair competition on the futures market, no middleman can profiteer by means of monopoly or by making use of time and regional differences and the lack of information. Only through the participation in the fair competition of large numbers of sellers and buyers can fair prices be formed and the openness of the market be increased.

Then, in the present stage in our country, how should we build a futures market? In my opinion, we should decide

what commodities can be traded in futures and what model the futures market should adopt in light of the actual conditions in our country.

According to the course of reform and opening up and the development of the national economy in our country, we may first set up a futures market for commodities before financial products, and first set up a futures market for farm products before other commodities. This is because: 1) The commodity market in our country is better developed than the finance market; 2) the reforms for perfecting the commodity market were started ahead of those for the finance market; 3) the dealings in actuals on the finance market are still in the initial stage; and 4) the price fluctuation and the supply-and-demand fluctuation in farm products are more obvious, and it is more urgent to set up a futures market for farm products.

There is a wide gap in the development level of the commodity economy between our country and the countries with a developed market economy, and our domestic development is also uneven. So we cannot completely imitate the foreign practice and try to set up a highly developed futures market in one move, and we cannot not stipulate only one model for the futures market without regard to the differences in commodities and regional factors. So, in my opinion, we may explore three market models in light of our social and economic conditions, the product characteristics, and different regional factors: 1) Imitating the practice in the early form of the futures markets by perfecting the forward contracts and the wholesale markets. The main efforts are made to develop forward contracts, and the transfer of such contracts is supplementary. 2) Making explorations by learning from the practice in modern futures markets. The delivery of commodities is taken as the main purpose of the forward buying, and short-term investment for hedging the risks is taken as a supplementary step. Producers and merchants are the main participants in the futures transactions, with a small number of brokers playing a supplementary role. The forward contracts should mainly be implemented, and they can also be taken as a means of hedging risks. 3) Building a modern futures market, and those to be sold or bought are mainly standard futures contracts through futures brokers. The main function of such transactions is to hedge or reduce business risks. The market can attract a large number of investors. This model can be adopted in the coastal areas where there are better conditions with a stronger sense of the commodity economy and a large number of short-term investors and abundant funds.

**Experts Urge Spending on Railway Construction**  
OW1109193588 Beijing XINHUA in English  
1509 GMT 11 Sep 88

[Text] Beijing, September 11 (XINHUA)—Experts from the Ministry of Railways have urged the state to spend more on railway construction as overloaded railways are hindering the country's economic development.



According to the experts, the passenger and freight transport volume has kept rising this year, far exceeding the capacity of railways.

A large quantity of cargo has piled up at railway stations and each day about 700,000 passengers travelling by train fail to find seats.

It is estimated that the rational ratio between the expansion of industrial production and the increase of railway freight transport volume should be one to 0.5. However, in the first six months of this year the industrial output value rose by 17.2 percent while the transport volume was up by only 5.1 percent.

Railway experts suggested that the state should give priority to railway construction in its investment plan so as to ensure coordinated development of railway transport and the national economy as a whole.

They also suggested that the price for railway transport be increased properly to accumulate funds for railway construction, and that investment in railways should also come from localities instead of solely state funding.

At present efforts should be made to exploit other means of transportation so as to lessen the pressure on railways, they said.

**Interlinking of Transport Networks Urged**  
*HK1309022088 Beijing CHINA DAILY in English*  
13 Sep 88 p 1

[By staff reporter Liu Dizhong]

[Text] China's coastal provinces and special economic zones are urged to build up their own ocean-going fleets and run their own port services in order to break the State monopoly.

These are among the new measures planned by the State Council to keep pace with the country's rapidly growing export-oriented economy.

The major aim is for the provinces and zones to create interlinking air, sea and land transport networks.

If the programme goes according to plan, they will be able to offer services at the ports for Chinese and foreign ships, such as logging entries and departures, arranging shipments, and loading and discharging of cargoes.

China now has 35 ports, including four on the Yangtze River, open to foreign ships and more are expected to open in the future. "The new measures are designed to introduce hard competition among these ports so as to tap their full potential for better transportation services," said a senior official of the China Ocean Shipping Agency.

In fact, a number of coastal provinces have gone into the shipping business over the past few years. About 80 ocean-going shipping companies have been set up, although some have only a few vessels.

Spurred on by the open policy and the rapid progress in foreign trade, the number of Chinese and foreign ocean-going ships calling at Chinese ports has risen dramatically in recent years.

In the first half of this year, about 20,000 ocean-going ships called at Chinese ports with a total cargo volume of 78 million tons, an increase of 17 percent and 12 percent respectively over the half-year record set in 1987.

Since the early 1950s, the China Ocean Shipping Agency—perhaps better known as Penavico as it was established as the People's Navigation Company 35 years ago—has had a monopoly on services at China's ports.

It has become one of the leading ocean-going agencies in the world and one of the nation's major earners of hard currency in international transportation.

"Although no-one can match us on an equal basis on the domestic market in the near future, the State Council's new policy is a challenge to us," Penavico's General Manager Cao Zang told CHINA DAILY.

He predicted that his company would handle fewer ships and less cargo in the second half of this year because of competition both inside and outside China.

"But we are determined to improve our facilities and services to attract more Chinese and foreign customers," he said.

He said plans had been mapped out to handle more than 330 million net tonnage of vessels and 280 million tons of cargo over the next three years.

Penavico has 43 branches and 18 offices throughout the country and has contracted with more than 30 countries and regions to jointly offer an international door-to-door service.

It is holding a national work meeting in Beijing to discuss the State Council's new measures and its own strategy to expand port business.

**State Council Forms Water, Soil Committee**  
*OW1309002488 Beijing XINHUA Domestic Service*  
in Chinese 1621 GMT 8 Sep 88

[Text] Chengdu, 8 Sep (XINHUA)—The State Council's Water and Soil Conservation Committee for the Upper Reaches of the Chang Jiang was inaugurated in Chengdu today. This is an authoritative organ on water and soil

conservation along the reaches of the Chang Jiang, composed of six governors and vice governors, four vice ministers, and some department and bureau chiefs.

The upper reaches of the Chang Jiang have a total area of 1.5 million square kilometers, covering the Xizang Autonomous Region, Qinghai, Gansu, Shaanxi, Sichuan, Yunnan, Guizhou, and Hubei Provinces. According to the latest statistics, soil erosion has claimed 350,200 square kilometers, about one-third of the total area. Soil erosion is serious in more than 30 percent of the area suffering from soil erosion. The eroded soil totals about 1.56 billion metric tons a year, approaching that along the reaches of the Huang He. Soil erosion is most serious in Sichuan, Yunnan, Guizhou, Gansu, and Hebei. Therefore, the newly formed water and soil conservation committee is composed of 1 governor and 5 vice governors from the 5 provinces and 15 vice ministers, chairmen, department chiefs, and bureau chiefs from the State Planning Commission, the Ministry of Agriculture, the Ministry of Forestry, the Ministry of Water Resources, the State Land Administration, the State Council's Leading Group for Economic Development in Impoverished Areas, and the Chinese Academy of Sciences, which are closely related to soil erosion control.

Sichuan Governor Zhang Haoruo, who is serving as chairman of the committee, said: In recent years serious incidents of stealing timber and indiscriminately felling trees in violation of the law have increased in the Chang Jiang basin and along the upper reaches of the river. Opening up slopes for farming and burning grass to obtain ashes have not been effectively stopped. Moreover, opening of mines, road building, and other items of capital construction have also contributed to new soil erosion. This serious situation calls for an authoritative water and soil conservation organ.

In the upper reaches of the Chang Jiang, in addition to the soil erosion control projects of each of the five provinces, other projects include the project to conserve water through afforestation in the upper reaches of the Chang Jiang being undertaken by the Ministry of Forestry; the Ministry of Agriculture's project to reform the various kinds of cropping systems and to develop new sources of energy in rural areas; and the project of the leading group for economic development in impoverished areas to assist these areas. The new committee should work out an overall plan to coordinate this work so as to accomplish the soil erosion control program.

Following its inauguration, the committee held its first meeting to discuss matters concerning the implementation of soil erosion control projects.

**Expert Notes Improvement in Rice Cultivation**  
*OW1309113388 Beijing XINHUA in English*  
0901 GMT 13 Sep 88

[Text] Shanghai, September 13 (XINHUA)—China no longer depends solely on pesticides to grow its most important crop, rice, said an agriculture expert today.

Rei Shaochu, a rice expert from the Ministry of Agriculture, said that in Southern China great efforts have been made in the past five years to develop disease-resistant seeds, improve cultivation, and protect beneficial insects.

The use of pesticides has thus been cut 40 percent in about 257 million hectares of rice paddies in the major rice-producing areas of China, added Rei.

The economic efficiency is good, with the output of the crop now up 520 kg per hectare, he added.

The rice crop in China was constantly plagued by insects and crop diseases in the past. Government statistics show that in some southern provinces, losses in output because of insects and blight sometimes ranged from 20 percent to 30 percent per hectare.

The spraying of pesticides, however, proves harmful to the environment, especially to beneficial insects.

As a result, China started to adopt comprehensive techniques for growing rice from 1980.

**Academy President on Technology Priorities**  
*OW1109183188 Beijing XINHUA in English*  
1525 GMT 11 Sep 88

[Text] Beijing, September 11 (XINHUA)—China will give priority to the development of the technology that is closely related to the national economy in the 1990s, President Zhou Guangzhao of the Chinese Academy of Science said here today.

Specifically, priority technology will cover land management, resource investigation and rational utilization, ecological and environmental protection, weather and catastrophe forecasting, Zhou said while addressing the opening ceremony of the 22nd General Assembly of the International Council of Scientific Unions.

Agricultural technology will cover breeding of fine crop varieties, prevention and control of plant diseases, water and soil conservation and farming system.

Other priority technology includes those related to medical care and health protection, technological innovation and automation of traditional industries, development of new materials as rare-earth, semiconductors, ceramics, high-polymer and compound materials, as well as office automation, computers and industrial processors, computer aided designs, network and communications systems.

To meet the challenge of the 21st century, Zhou said, China, with limited financial strength, has worked out a plan for hi-tech research and development in such fields

as space technology, bio-engineering, computerized intelligence system, computer-aided production, intelligence robots, new materials and advanced nuclear reactor technology.

The Chinese Academy of Sciences and institutions of higher learning shouldering the major tasks for basic research will undertake those important areas which can be developed quickly with less investment. They include non-linear mathematics and non-linear sciences, condensed matter physics, life chemistry, structure and function of biological macromolecules, neurological network and global climate changes.

Zhou also briefed the participants on the on-going reform of the country's scientific management system.

**Water Wasters Face Prosecution, Jail**  
*HK1209005688 Beijing CHINA DAILY in English*  
12 Sep 88 p 3

[By staff reporter Wen Jia]

[Text] The Chinese Government will prosecute wasters of water.

A new regulation to be adopted by the State Council will put serious violators in jail in order to stop the waste of water.

Regulations on water-saving in urban areas have been drafted by the Ministry of Construction and are waiting for approval by the State Council.

Violators will not only be fined as they are now, but be given disciplinary punishment or brought into court.

And those who make remarkable contribution in saving water will be rewarded by the government.

The regulations will make it a "must"—instead of a mere obligation—for urban dwellers and enterprises to save water.

Water use in urban areas will be strictly planned. Local governments will set limits to enterprises' water use.

Factories should apply advanced water-saving technology so that industrial water can be used several times.

Every new house in cities and the suburbs is required to be equipped with water meters. Present houses also should have such meters installed.

The ministry said that more than 200 cities out of the total of about 385 cities in the country lack water for industrial use.

The situation is serious in 40 to 50 cities, mostly large and medium-sized industrial cities in North China.

The shortage of water has caused economic losses of nearly 20 billion yuan annually over the past few years.

The shortage is regarded as a result of inefficient water use control and outdated industrial equipment and irrigation facilities.

Leading water resource experts have called for comprehensive water conservation in urban areas, especially in North China. The experts say water saving has become crucial.

China has made some achievements in water saving. Over the past two years, about 800 million cubic metres of water have been saved each year.



### East Region

**Chen Guangyi Speaks at Fujian Leaders' Meeting**  
*OW1309043188 Fuzhou FUJIAN RIBAO in Chinese*  
25 Aug 88 p 1

[By FUJIAN RIBAO reporter]

[Excerpts] Addressing a meeting held yesterday for leading cadres, Chen Guangyi, secretary of the Fujian provincial party committee, said to cadres and people throughout Fujian: "While launching education on the party's basic lines, we should give prominence to restudying and discussing the criteria of productive forces throughout Fujian, keeping in mind the successes and experiences we have achieved and gained during the decade of reforms and opening up. We should continue to emancipate our minds; make efforts to deepen reform and open wider to the outside world; speed up the implementation of the economic development strategy for coastal areas; and expedite the development of an export-oriented economy in Fujian."

Present at yesterday's meeting, which was chaired by Jia Qinglin, deputy secretary of the Fujian provincial party committee, were members of the Fujian provincial party committee Standing Committee; chairman and vice chairmen of the Fujian Provincial Advisory Commission; chairman and vice chairmen of the Standing Committee of the Fujian provincial People's Congress; vice governors; vice chairmen of the Fujian provincial CPPCC Committee; deputy secretaries of the Fujian provincial Discipline Inspection Commission; principal leading comrades of departments, committees, offices, agencies, and bureaus under the Fujian provincial government; chairmen and vice chairmen of all democratic parties; as well as secretaries of prefectural and municipal party committees and heads of their propaganda departments, totalling more than 400 people.

In his speech yesterday, Chen Guangyi dealt primarily with the need to rediscuss the criteria of productive forces. He said: The Political Bureau of the CPC Central Committee, at its recent 10th plenary session, discussed and adopted in principle the "Preliminary Plan for Price and Wage Reforms" and set forth five projects to be accomplished next year. This indicates that China's reform has now reached the stage of resolving the most important issues. In order to give further impetus to study, further emancipate our minds, deepen reform, and open Fujian wider to the outside world, it is completely necessary for us to launch another provincewide discussion on the criteria of productive forces while proceeding with education on the party's basic lines. [passage omitted]

First of all, we must understand the current situation clearly and heighten our spirit. During the course of study and discussion, we should use the criteria of productive forces to distinguish the correct lines, ideologies, and theories from the wrong ones and use the

criteria of productive forces to examine our successes and failures, achievements and setbacks, and the good or bad performance of our cadres. [passage omitted]

Second, we should emancipate our minds and do our work courageously. [passage omitted] Through study, we should smash all the stereotypes that restrict development of productive forces and do away with anything artificially imposed on socialism. [passage omitted] We should give full rein to our initiative, zeal, and creativeness. We should follow other's experience, but we should also have the courage to blaze our own trail. We must have the courage to do, explore, and advocate anything that is favorable to the development of productive forces. [passage omitted]

Chen Guangyi also briefed the participants on a Fujian friendship delegation's recent visit to Thailand and Singapore and its study tour of Hong Kong. He said the visit and the tour have widened the delegation members' vision, made them more knowledgeable, inspired them, and broadened their way of thinking. [passage omitted]

**Speaks on Productive Forces Criteria**  
*OW1309004188 Fuzhou FUJIAN RIBAO in Chinese*  
28 Aug 88 p 1

[Excerpts] Party committee secretaries and propaganda department directors of prefectures and cities attending the leading cadres meeting on 25 August, which was convened by the provincial party committee, earnestly discussed the plan "to continue and to deepen instruction on the party's basic line, and to stress further discussion on the criteria for the productive forces." All those present unanimously agreed that: There is a need to stress further discussion about the criteria for the productive forces in view of crucial issues requiring action that have cropped during the present stage of all-out reform. This discussion must be closely integrated with reality and must strive for practical results. It must also insist upon applying the criteria for the productive forces in order to unify understanding, to further liberate the mind as well as the productive forces, and to courageously and speedily promote the further development of Fujian's export-oriented economy.

He Shaochuan, director of the Propaganda Department of the provincial party committee, presided over the meeting. Chen Guangyi, Wang Zhaoguo, Jia Qinglin, Hu Hong, Cheng Xu, Yuan Qitong, Lin Kaiqin, Wen Fushan, You Dexin, Su Changpei, and Shi Xingmou attended the meeting and spoke. In line with reality, the comrades attending the meeting spoke out freely, and argued that: "Stressing further discussion on the criteria for the productive forces," which has been proposed by the provincial party committee, is a strategic campaign that will widely spread instruction on Marxism; it has important significance for the deepening of reform, widening of opening up, and development of the export-oriented economy. [passage omitted]

**Large Coal Mine in Jiangsu Begins Production**  
*HK1209150388 Beijing CEI Database in English*  
12 Sep 88

[Text] Beijing (CEI)—The Sanhejian coal mine capable of producing 1.2 million tons of coal a year went into production recently in Xuzhou, Jiangsu Province.

With an area of 50 square kilometers, the coal mine has 17 coal seams, of which six are workable.

The mine has a coal reserve of 234 million tons.

**Jiangxi Congress Standing Committee Meets**  
*OW1309000188 Nanchang Jiangxi Provincial*  
*Service in Mandarin 1000 GMT 6 Sep 88*

[Excerpts] The Standing Committee of the seventh provincial People's Congress held its fourth meeting in Nanchang today. The meeting agenda included reviewing a draft revision of the provisional regulations concerning the problems met by the People's Congress at all levels in Jiangxi Province in carrying out local organic law, and a draft revision of the resolutions on personnel appointment and dismissal by the provincial People's Congress. The meeting was also to hear a report by Vice Governor Jiang Zhuping on the massive inspection of law enforcement work conducted by government organs provincewide, the provincial Financial Department's report on the implementation of the provincial budget during the January-July period of 1988, and a report by the provincial Public Security Bureau on the situation of Jiangxi's social security, traffic control, and the bureau's personnel appointments and removals. Xu Qin, chairman of the Standing Committee of the provincial People's Congress, presided over today's plenary meeting. Also present at the meeting were Vice Chairmen Pei Dean and Huang Xiandu; Vice Governor Jiang Zhuping; Li Ying, president of the provincial Higher People's Court; and officials of the provincial People's Procuratorate. For the first time ever, visitors' seats were set up for representatives of various democratic parties and mass organizations invited to the meeting. (Chang Zhengang), secretary general of the Standing Committee of the provincial People's Congress, announced and explained the meeting agenda to the plenum.

At today's meeting, on behalf of the provincial people's government, Vice Governor Jiang Zhuping delivered a special report on the provincewide inspection of law enforcement work conducted by the provincial government organs. Jiang Zhuping said: In accordance with the decision of the provincial People's Congress to launch a massive inspection of law enforcement work across the province, the provincial government has, since April, spent 4 months in organizing and implementing the inspection, which basically is coming to an end now. Compared with law enforcement inspection in previous years, the inspection this year has the characteristics of, first, effective leadership, quick action, and going deeper into the movement; second, broader range and greater

impact; third, practical planning and right approaches which enable the campaign to produce more results; and fourth, adhering closely to the principle of exposing law enforcement personnel who violate the law or bend the law for personal benefit. [passage omitted]

(Du Xinbang), deputy director of the provincial Financial Department, reported to the meeting on the implementation of the provincial budget in the first 7 months of the year. He said: The provincial economic growth continued to maintain good momentum this year. Provincial revenues further increased, which in the first half of the year accounted for more than 50 percent of the budget and continued to go up in July. Provincial expenditures basically were controlled within the limits of the budget. Provincial revenues in the January-July period accounted for 60.2 percent of the budget and registered a 19.2 percent increase over the same 1987 period. Total provincial expenditures in the January-July period accounted for 53.2 percent of the year's revised budget, up 26 percent from the same period of last year.

Sun Shusheng, director of the provincial Public Security Bureau, reported on social security and traffic control in the province. He said: Public security organs at all levels across the province have been more successful this year in improving public order. This was the result of their stressing three aspects of their work: first, enforcing stricter party discipline, waging various battles against loose discipline to keep a good party image, and preserving public order in both urban and rural areas; second, enhancing public security work, strengthening a sense of responsibility among public security personnel, calling on society to take part in improving public order as well, and pushing ahead with the implementation of safety measures; third, strengthening information gathering work, and, under the united leadership of party committee and government, taking precautions against and properly handling mob rioting. Generally speaking, public order in most places of the province, especially in the vast countryside, is stable, without grave disturbances. However, the situation facing the province is still considered serious, particularly in some cities, market towns, industrial and mining areas, and main traffic lines where criminal cases, especially serious ones, are increasing steadily and quickly, obscene articles and other ugly social phenomena keep emerging, fighting and other problems threatening public security are becoming more serious, unstable social factors are increasing, and more serious traffic accidents have happened, causing heavy losses. Sun Shusheng also mapped out the five major tasks of the provincial public security system in the latter half of the year.

At the plenary meeting this morning, (Li Shujia), chairman of the Political Science and Law Committee of the provincial People's Congress explained a few points about reviewing the draft revision of the provisional regulations concerning the problems met by the people's congresses at all levels in Jiangxi Province in carrying



out local organic law. (Li Hui), deputy director of the office of the Standing Committee of the provincial People's Congress, delivered a written report on revising the draft revision of the resolutions on personnel appointment and dismissal by the provincial People's Congress.

**Jiangxi Issues Circular on Price Control**  
*OW1209233388 Nanchang Jiangxi Provincial Service*  
*in Mandarin 1000 GMT 10 Sep 88*

[Text] The provincial government recently approved a circular by the provincial Commodity Price Bureau regarding the strengthening of price administration and controlling the extent of price hikes. The government urged all localities to earnestly implement and execute the points of the circular.

The circular of the provincial Commodity Price Bureau points out that all localities must take firm and resolute measures to strictly control the extent of price hikes in order to ensure that the rise in the general retail price index provincewide this year will not exceed 20 percent, and that the rise in the specialized trade index is strictly controlled to within 24 percent during the last 4 months of this year. From now until the end of the year, there must not be any more new surges in prices provincewide. All localities and enterprises of all pertinent departments must uphold and protect the great cause of reform by observing discipline, and must strictly enforce orders and prohibitions.

All localities must take resolute measures to stabilize the prices of vegetables, pork, and other nonstaple foodstuffs. The prices of some of the more popular varieties of vegetables must be controlled in order to strive for a conspicuous drop in vegetable prices in large and medium cities during the months of September and October.

All localities must also keep tight control on the price of grain and edible oil. The price of rationed grain and edible oil for residents in cities and towns must not be allowed to rise. The price of grain stipulated in contracts during the current grain year must not be altered. The price of surplus grain must be controlled and guided.

The circular calls on all localities to control the prices of industrial goods by category, and to strictly control the prices of capital goods under state plans and agricultural capital goods. Regarding important agricultural capital goods such as chemical fertilizers, pesticides, and plastic sheets, a system of monopolized control and sales will be gradually implemented. As for industrial consumer goods, which at present are sensitive issues for the general public, they must be sold at fixed prices if their prices have been fixed by the state. As for the price of commodities that are guided by the state or regulated by the market, the margin of their rise and profit must be controlled to within the level of July. All localities must

strictly control the circulation of capital goods and commodities about which the public is sensitive. Within the same city, they must not be allowed to change hands more than twice.

The circular points out that all localities must immediately begin general inspection of commodity prices in the market, with special emphasis on main staple and non-staple foodstuffs such as vegetables and pork, and market-sensitive industrial consumer goods.

**Mao Zhiyong Visits Schools on Teachers' Day**  
*OW1209175788 Nanchang Jiangxi Provincial Service*  
*in Mandarin 1000 GMT 8 Sep 88*

[Excerpts] Mao Zhiyong, secretary of the Jiangxi provincial CPC Committee, and Wang Taihua, member of the Standing Committee of the provincial party committee and director of the Propaganda Department, visited primary and middle schools and colleges in Nanchang to extend warm greetings to teachers on the eve of Teachers' Day. They also urged society to respect teachers and value knowledge and work hard to revitalize education in order to train more qualified personnel for socialist modernization.

Mao Zhiyong visited Jiangxi Teachers University, Jiangxi College, Jiangxi Polytechnic College, Jiangxi Education College, Jiangxi Traditional Chinese Medical College, Jiangxi Medical College, Jiangxi Finance and Banking College, Jiangxi Agriculture College, Nanchang Vocational, Technical, and Teachers College, the middle school attached to Jiangxi Education College, Nanchang Teachers College, and the primary school attached to Nanchang Teachers College on 6 and 7 September.

Mao Zhiyong cordially met with representatives of the teachers; inspected school environment; visited laboratories, libraries, students' mess halls; and called on veteran professors of Nanchang Teachers College at their homes. Mao Zhiyong said: School is a place for training talented personnel and a bastion for building socialist spiritual civilization. On the eve of Teachers' Day, Comrade Wang Taihua and I have come here to comfort you and extend holiday greetings to you on behalf of the provincial party committee. We also wish to find out the conditions of our schools. [passage omitted]

Mao Zhiyong expressed satisfaction over the work done by the schools. [passage omitted]

He said: We do not have enough money for education. As a result, teachers are living a rather difficult life. However, even under such a circumstance, you have done a lot for the students. This is quite an achievement. It shows that you have really worked hard and overcome many difficulties. With the deepening of reform and the coordinated development of the national economy, shortage of educational funds will be gradually eased, and our school conditions will steadily improve. We must have faith in this. The question today is that our



leadership at all levels must improve its understanding of education, take education as the top priority in economic development, and adopt effective measures to revitalize education. [passage omitted]

**Newsletter on Building Shanghai Development Zones**  
*OW1209004288 Beijing XINHUA Domestic Service*  
*in Chinese 2345 GMT 3 Sep 88*

[Newsletter: "A Star-studded Sky: Does It Bode Well or Ill?—A Look at Scientific and Technological Development in the Shanghai Economic Zone"—by XINHUA reporters Zhang Xingdun, Zhang Xuequan, and Ding Xueping]

[Excerpts] Shanghai, 3 Sep (XINHUA)—There are whirlwinds in our land. We were hit by a whirlwind when we traveled through Jiangsu, Zhejiang, Shanghai, Fujian, Jiangxi, and Anhui in the midst of summer heat. The whirlwind was created by the fever to establish high technology development zones. Some provinces plan to build two or three such zones in one stroke. Projects undertaken and in preparation are scattered all over the region like stars in the sky or men on a chessboard.

Construction of two state-approved high technology development zones has been sped up.

One is the Haicao Hejing High Technology Development Zone. Several hundred million yuan has been invested in a 5-square-km area to develop microelectronics, biological engineering, optical fiber telecommunications, and other high technology industries. The pace of construction is the highest among high technology areas currently undertaken in our country.

The other is the Wuxi Microelectronics Joint Corporation, a high technology base to the south of Xihui Shan. Its first stage project had an investment of 200 million yuan. Built 3 years ago, the project is turning out large quantities of medium and large integrated circuits today. The state plans to invest an additional 800 million yuan in its second stage project during the Seventh 5-Year Plan.

With the enthusiasm of the local governments for this endeavor running high, more and more high and new technology development zones are expected to appear. [passage omitted]

We understand that other provinces, municipalities, and autonomous regions outside the Shanghai Economic Zone are all eager to have a try too. Plans and programs have been worked out one after another, and everyone is rushing to requisition land and start construction.

It is worth studying whether the construction of so many high technology areas bodes well or ill. Several high technology development experts believe that the phenomenon bodes both well and ill. On the one hand, it is good that policy makers have finally realized the importance of science and technology to the four modernizations and

that governments at different levels have begun to emphasize the development of high technology. On the other hand, there is something disturbing about the trend. The low standards and duplicated construction, and the dispersion of the resources, may only lead to a "star-studded sky" without any tangible results. Therefore, it is necessary to guard against rushing headlong into the high technology area business. [passage omitted]

We must not forget the "computer fever" of 4 years ago. A certain province bought more than 1,000 computers only to discover that it had no use for them. The result was more than 10 million yuan down the drain. We have paid dearly for our "computer fever." We must not repeat our mistakes in developing high technology.

Experts have suggested that to keep up with the development of high technology industries in the world, China should work out a plan to build a few high technology development zones to bring about a breakthrough in this field. For local areas in general, emphasis should be placed on developing certain types of high technology suited to the local conditions. In doing so, they should make use of the existing factories, enterprises, and research institutes. There is absolutely no need to requisition land and build new areas. In this respect, departments concerned of the state should exercise macroeconomic control with a strong determination to prevent duplicated construction and to avoid waste of human, financial, and material resources.

#### **Shanghai Discusses Prices, Corruption**

*OW1309132488 Shanghai City Service in Mandarin*  
*2300 GMT 10 Sep 88*

[Text] For the past few days, members attending the third meeting of the Ninth municipal People's Congress Standing Committee spoke on issues related to the market situation and commodity prices both at group discussions and the plenary sessions. The participants fully affirmed the recent measures taken by the municipal government to stabilize the market and control prices, voiced their views, and made many suggestions.

(Deng Ce), (Lin Binqiu), (Qi Naihuan), and many other members of the municipal People's Congress Standing Committee called on the municipal government to earnestly sum up the lesson learned from the wave of panic buying in late August. (Zhang Chongchao) and (Zhu Yuezhi) said: No one is quite clear as to why the prices of certain items are raised, and how many of these price hikes are really needed in order to straighten out the price system. They called on government departments concerned to provide an explanation with scientifically compiled figures. (Chen Jiangtao) said: Although there are plentiful fresh vegetables on sale in the market this summer, their prices have gone up by as much as 54.8 percent. What is the reason for this price jump for

vegetables when their supplies are plentiful? The only logical explanation is that the circulation system has not been straightened out. This problem should merit our serious attention.

In their talks, the participants expressed extreme indignation with corrupt government officials.

(Ye Zhongrou), a deputy to the municipal People's Congress, said: In many cases, the price problem is man-made. Many commodities in acute short supply are controlled by corrupt government officials. Coal, which costs over 50 yuan per metric ton at the source, is sold for as much as over 190 yuan per metric ton in Shanghai.

(Tao Shuchun) said: The price of stainless steel has skyrocketed from 6,000 yuan to 36,000 yuan per metric ton, an unbearable cost for the enterprises. Who is to blame for this?

The participants unanimously maintained that as their deeds have brought calamity to the country and the people, corrupt government officials should be strictly investigated and severely punished according to the law.

(Tu Yongliang) proposed: Two kinds of companies must be thoroughly investigated. One kind are the so-called bills of lading transfer companies. The other are companies that levy exorbitant taxes under the pretext of providing so-called compensated services, which is in fact a kind of service customers are forced to accept.

In their talks, the participants urged the municipal People's Congress Standing Committee and the municipal People's Procuratorate to exercise supervision over government corruption, a problem utterly detested by the people, according to the law.

#### **Enterprise Property Rights Sold in Zhejiang** *OW1209140388 Hangzhou Zhejiang Provincial Service in Mandarin 0900 GMT 3 Sep 88*

[Excerpt] Twenty-two enterprises invited tenders in Hangzhou's entrepreneurs market yesterday [2 Sep] evening. Scores of enterprise managers from Shaoxing, Hangzhou, and Jiaxing took part in the public bidding for enterprise property rights. It was the first time that enterprise property rights were sold as a commodity in our province.

The entrepreneurs market was organized by the provincial research institute of economic restructuring and the Zhejiang Entrepreneurs' Club. The market deals mainly with the contracting, leasing, auctioning, or merging of enterprises as well as enterprise shares. Of the enterprises that invited tenders yesterday evening, some had suffered losses for a long time, others had been poorly managed, and still others would not be able to improve

their conditions in a short time because of limited funds. Still some other enterprises, with some favorable conditions, had tried to seek partners because of lack of funds to develop themselves.

Thirty-one enterprises offered their bids, and they were negotiating intensively with the bidding inviters. [passage omitted]

### **Central-South Region**

#### **Guangdong's Lin Ruo on Developing Mountain Areas** *HK1009015788 Guangzhou Guangdong Provincial Service in Mandarin 1030 GMT 9 Sep 88*

[Excerpts] The third Guangdong provincial conference on work in mountain areas concluded in Zhaoqing City today after 4 days in session. At the summation meeting this morning, provincial party committee Secretary Lin Ruo and Deputy Secretary Xie Fei made important speeches calling on the province to raise all work and economic construction in the mountain areas to a new level. [passage omitted]

Lin Ruo pointed out: There are three levels to be attained in economic development in the mountain areas, and places of different categories should attain different levels. The first level is to turn the barren mountains green; this is a stage that cannot be skipped. It is impossible to become rich unless this is attained. Places that have not yet turned the barren mountains green must succeed in this first. The second level is to proceed from afforestation and greening to operations on a suitable scale and the establishment of commodity bases. The third level is to take the domestic and foreign markets as the guide in integrating resources with markets and turning strong points in resources into strong points in commodities. Each locality should select its levels in light of its own conditions, and advance level by level. In this way the mountain areas can gradually become rich.

Comrade Lin Ruo also stressed in his summation report that it is essential to fight a battle of annihilation in afforestation and greening in the coming winter and spring. The mountain areas should also establish a number of suitable industries on a substantial scale, and raise their economic work to a new level. [passage omitted]

#### **Guangdong Military Region Controls Purchases** *OW1309073188 Beijing XINHUA Domestic Service in Chinese 0652 GMT 12 Sep 88*

[By reporters Zheng Guolian and Wu Dongfeng]

[Excerpts] Guangzhou, 12 Sep (XINHUA)—At this time of inflationary institutional purchases, the Guangzhou Military Region has successfully kept its institutional purchases under control. It is learned that the institutional purchases and purchases of commodities under special control of the whole military region in the first 6 months of this year dropped 2.29 million yuan and 1.18

million yuan respectively as compared with the same period last year. Thanks to education of its cadres and the strict implementation of the financial and economic discipline laid down by the central authorities, the Guangzhou Military Region has succeeded in controlling institutional purchases.

Most of the units under the Guangzhou Military Region are stationed in areas where China carries out experiments in reforms and opening to the outside world. Since the end of 1985, the party committee of the Guangzhou Military Region has repeatedly stressed the following among leading cadres: The more the reform is deepened and the more China is opening to the outside world, the more the need there is for a strengthened sense of following policy and discipline; in short, we should never go different ways. [passage omitted]

After the lifting of some commodity prices this year, the Logistics Department of the military region discovered that some units increased the purchases of commodities under special control. They immediately called an emergency meeting, timely limited purchase approval power, issued administrative orders, and strengthened auditing control. [passage omitted]

To implement the instructions of the State Council on keeping a clean government and on checking extravagance, some units stopped or postponed a number of engineering projects of their own accord. [passage omitted]

**Guangdong Capital Develops Automobile Industry**  
*OW1309000388 Beijing XINHUA in English*  
1606 GMT 12 Sep 88

[Text] Beijing, September 12 (XINHUA)—Guangzhou, one of China's top three car manufacturing centers, is to form an enterprise group with 47 factories and enterprises, "INTERNATIONAL BUSINESS" reported today.

The enterprise group will be a joint stock entity combining production, finance, sales and export trade.

The Peugeot Corporation in Guangzhou, the capital of south China's Guangdong Province, produced over 2,300 cars and buses in the first 6 months this year, nearly twice the amount in the corresponding period last year.

The corporation, which is a Sino-French joint venture, will become an economic and technical center to supervise the automobile industry in south China, according to the paper.

In the past few years, demand for passenger cars has run at three times the level of supply. Of the 270,000 sedans in country, only 2 percent are domestically-made, the paper said.

The country needs 70,000 to 80,000 sedans this year and next year. By the year 2000, when cars become household necessities in China, the country will need 460,000 cars to meet the demand, the paper quoted car experts as saying.

**Guangxi Province Opens People's Congress**  
*HK1309024488 Nanning Guangxi Regional Service*  
in Mandarin 1100 GMT 12 Sep 88

[Excerpts] The Fifth Session of the Seventh regional People's Congress Standing Committee opened in Nanning this morning, under the chairmanship of Gan Ku.

At the meeting, Vice Chairman of the Standing Committee Huang Jia conveyed the spirit of the Third Session of the Seventh NPC Standing Committee. On behalf of the regional people's government Vice Chairman Chen Kejie gave a briefing on stabilizing the market and prices; Vice Chairman Zhang Chunyuan delivered a report on the struggle against natural disasters and relief work; and the deputy secretary-general gave an account of preparations to celebrate the region's 30th anniversary. In his briefing Vice Chairman Chen Kejie noted: From January to July this year the regional general level of market prices continued to rise following an increase of 7.4 percent in the same period last year. The major factors leading to such a situation are: 1) Lower grain production in the first half of this year; 2) Shortages of energy raw materials; 3) Influence of measures to deepen the price reform; and 4) Large amounts of money in circulation. Chen Kejie said: To control market prices and stabilize the market the following specific measures have been adopted: 1) Strengthening propaganda and education and seriously studying and understanding the spirit of the urgent circular issued by the State Council on stabilizing the market and prices. 2) Making efforts to increase production. In the remaining 4 months of this year, efforts must be made to fulfill and overfulfill this year's targets in different fields of construction work. Concrete tasks should be assigned to all enterprises to increase the output of highly desired commodities. To increase the supply of goods on the market the material supply, commercial, foreign trade, supply, and marketing departments at different levels have been instructed to take inventory of their warehouses. 3) Strengthening of leadership over market prices. Prices of all commodities fixed or guided by the state should be sold in accordance with the relevant regulations issued by the state pricing departments, and the prices of commodities fixed by Guangxi will not be readjusted for the remainder of this year. [passage omitted] 4) Procuring of grain crops should be strengthened and efforts must be made to fulfill the task of putting summer grain crops in storage. 5) Controlling fixed assets investment and sorting out construction of nonproductive projects such as office buildings, large halls, and guest houses. 6) Resolutely implementing the monetary policy of controlling aggregate demand and readjusting the structure and



squeeze credit. 7) Strictly controlling the purchasing power of social groups and firmly curtailing administrative expenses. [passage omitted]

**Hainan's Xu Shijie Visits Schools 7 Sep**  
*HK0809143388 Haikou Hainan Provincial Service*  
*in Mandarin 1000 GMT 8 Sep 88*

[Excerpts] Yesterday morning, provincial Party Committee Secretary Xu Shijie and Standing Committee member (Miao Enlu) and responsible persons of the provincial education office went to the town of Fucheng in Qionghai County to cordially call on the teachers of (Qionghai) Teachers' College, the Qionghai County Secondary School, and the Third Primary School.

At 0900, Xu Shijie, (Miao Enlu), and other comrades arrived at the (Qionghai) Teachers' College. They and the responsible persons of the Qionghai County party committee, the Qionghai County government, and the education bureau listened to comprehensive reports on the college's conditions. They then went to the teachers' quarters to ask the teachers about their living conditions.

Inside a single teachers' dormitory, they ran into (Zhou Xian), a music teacher from the Guangxi Institute of Arts Department of Music. Seeing that the dormitory was shabby, they said with concern: You are welcome to come to Hainan to participate in construction. In spite of difficult circumstances [words indistinct].

On his arrival at the teachers' dormitories built over the past 2 years, Xu Shijie looked happier and said: It would be nice if all teachers can live in houses like these. This requires us to work very hard and pool funds through various channels, in order to improve the teachers' housing conditions as soon as possible.

After leaving the (Qionghai) Teachers' College, Xu Shijie and others went to the Qionghai Secondary School. After seriously asking the school authorities about the school's work-study program, Xu Shijie said: If the school has the appropriate conditions, it can try to establish ties with enterprises. In this way, the school can make the best use of its intellectual resources and the enterprises can allot some of their funds [words indistinct]. He also asked the school about the conditions of its sports facilities and equipment and viewed an art exhibition staged by the school's extra-curricular activities group.

At 1030, Xu Shijie and others arrived at the Qionghai County Primary School. [passage omitted on students reading aloud] They walked past classrooms. On their arrival at the teachers' quarters, they discovered that the houses were shabby and the lighting was inadequate. Comrade Xu Shijie immediately told the school's leaders: As soon as the school's financial situation improves, you should first improve the teachers' living conditions. He said: Education is fundamental to the development

of the productive forces, and primary education is fundamental to all fundamental things. At present, basic education in our province is still a weak link, and we have many difficulties. It is necessary for the whole community to pay close attention to education and to strive to do some practical things for teachers.

**57 Hainan Officials Receive Appointments**  
*HK1009044388 Haikou Hainan Provincial Service*  
*in Mandarin 1000 GMT 9 Sep 88*

[Excerpt] The Standing Committee of the Hainan Conference of People's Representatives held a gathering this morning to present appointment certificates to 57 leaders of commissions, departments, bureaus, and offices. Cao Wenhua, vice chairman of the Standing Committee, presided at the gathering. Chairman Xu Shijie and Vice Chairmen Pan Qiongxiong, Zheng Zhang, Yang Wengui, Lin Ying, and Wu Kuiguang attended. Also present were Liang Xiang, Liu Jianfeng, Yao Wenxu, Bao Keming, Miao Enlu, Wang Yuefeng, Li Zhimin, Wei Zefang, Meng Qingping, and Dong Fanyuan, leaders of the provincial party committee, government, and discipline inspection commission. [passage omitted]

**Hainan to Lift Culture, Education Controls**  
*HK1309045788 Beijing RENMIN RIBAO in Chinese*  
*5 Sep 88 p 1*

["Report by Luo Zisu (5012 5261 5685): "Hainan Reforms Its Culture and Education Structure, Allows Foreign Businessmen To Manage Cultural Enterprises"]

[Text] On 1 September, Secretary of Hainan provincial CPC Work Committee Xu Shijie announced: Hainan has made up its mind to reform its cultural and higher education systems.

Xu Shijie pointed out, since the economy has been opened up, culture and education should also be opened up. As far as culture is concerned, we will continue to implement the policy of advocating useful cultural undertakings, allowing harmless ones, boycotting harmful ones, and banning illegal ones, and vigorously encourage the community, the enterprises, and individuals to run cultural undertakings. We will also give the go-ahead to Sino-foreign joint ventures or exclusively foreign-funded cultural enterprises, and allow them to independently develop useful cultural and artistic activities within the limits permitted by the state constitution and law. As for education, we should try our best to arouse the enthusiasm of the whole community as well as all sectors inside and outside the province in running schools. We should allow colleges and universities more authority for independent management so that they can improve and develop free of outside intervention. We should run schools at various levels, in various forms, and create more channels to run schools. We enthusiastically encourage and support the community in running

schools by raising money among themselves, and individuals in running schools on their own. We also welcome and will help overseas Chinese and compatriots in Hong Kong, Macao, and Taiwan as well as foreign friends who come to run schools in Hainan.

**Hubei Provincial Meeting Prepares for Floods**  
*OW1309113688 Beijing XINHUA Domestic Service  
in Chinese 1731 GMT 11 Sep 88*

[By reporters Li Yongchang and Zhan Zhongde]

[Excerpts] Wuhan, 11 Sep (XINHUA)—Hubei Province is suddenly faced with the threat of serious disasters of flooding and waterlogging. The Hubei provincial CPC Committee convened a Standing Committee meeting this morning and again called a provincial emergency telephone meeting in the afternoon to study and arrange the work of preventing floods and draining floodwater, so as to ensure a safe flood season and a good harvest. [passage omitted]

Guan Guangfu, secretary of the provincial CPC Committee, analyzed the flood situation at the emergency meeting of the provincial CPC Standing Committee. He pointed out: Viewing the current flood situation, I see no immediate danger for Hubei. Hubei can still cope with the situation. However, the Jiangnan Plain is at the forefront bearing the brunt of serious floods and waterlogging and the situation there could affect the whole situation in the province. Therefore, people in the province should be well prepared in the fight against floods and waterlogging, and all should strive to ensure a safe flood season and a good harvest.

With this guiding thought, Hubei thus made concrete arrangements for flood fighting, waterlogging, and a good harvest.

**Hubei Aims Views on Tertiary Education Reforms**  
*HK1109042588 Wuhan Hubei Provincial Service  
in Mandarin 1130 GMT 10 Sep 88*

[Excerpts] On 2 September, provincial party committee Secretary Guan Guangfu presided over a meeting of the committee's Standing Committee, to hear reports from the committee's tertiary education commission on tertiary education work, and from the party group of the provincial education commission on the state of education in Hubei. The meeting held that it is essential to thoroughly study and implement the spirit of the central instructions on education work in conjunction with Hubei realities and speed up the pace of education reforms, to ensure that education can truly become a main pillar in the effort to achieve the strategic goal of making Hubei rise abruptly in central China. The Standing Committee meeting put forward the following views on this question:

1. Correctly analyze and evaluate the state of development of education in Hubei, to have a clear idea of the situation and the orientation. The province has achieved marked success in reforming and developing education in recent years. [passage omitted] Generally speaking, education in the province has entered its best period since the founding of the state.

Of course, we must not neglect the problems in our onward advance. The main ones are: An effective mechanism for making education meet the requirements of the modernization drive has not yet been well established; the education pattern is a single one; readjustment of the education structure has not yet been completed; the trend of one-sided pursuit of a high percentage of students going on to higher education still exists; the problem of improving and strengthening ideological and political work in the schools, especially in tertiary education institutes, has not been fundamentally resolved; there is a shortage of funds for education; and the conditions for running schools are very far from meeting the requirements of developments, and so on.

These problems show that the line of thought, field of vision, and work methods in Hubei's education reforms and development are far from matching the central authorities' line of thought and demands and the requirements of the strategic goal of making Hubei rise abruptly in central China. We must clearly recognize this rigorous situation, further brace our spirits and emancipate our minds, and work well with a high sense of responsibility and urgency.

2. In developing education, we must ensure that reform dominates the overall scene. Mechanism is the core issue in reform. In conjunction with Hubei realities, we must work hard to explore ways of establishing a mechanism by which education in the province will meet the requirements of the four modernizations. First, we should change functions in the macro regulation and control of education, by switching from exercising administrative management to concentrating efforts on studying and grasping the education guidelines, strategy, plans, and measures. Second, we should further delegate powers and tangibly strengthen the responsibility system of graded management in the localities, to stimulate their initiative in running education. Third, we should seriously and flexibly implement the head teacher responsibility system and expand the schools' decisionmaking powers, so that the head teachers will have the power to deal with the relevant problems in running the schools. [passage omitted]

3. Revamp and step up ideological and political work in the schools and integrate running the schools democratically with governing them strictly. We must pay great attention to moral education and clearly understand that cultivating talented people with four qualities is the fundamental aim of education. There must be no wavering on this at any time.

4. Further step up the building of the force of teachers. We must attach great importance to cultivating and training teachers and step up teacher-training education. We must be concerned for the teachers' woes and resolutely implement the central policies on improving their pay and conditions. [passage omitted]

5. Manage and use education funds well. At present some places are misappropriating these funds in varying degrees. This is absolutely impermissible.

6. Step up research in educational theory and do a good job in organizing reform experiments. [passage omitted]

7. A provincial education work conference, sponsored by the provincial party committee and government, will be convened early next year, to further mobilize education workers throughout the province to brace their spirits, continue to clear the way to forge ahead, and attain new levels in the province's education reforms and development.

**Hubei Meeting Urges Controlling Government Size**  
HK1309112888 Wuhan Hubei Provincial Service  
in Mandarin 1000 GMT 12 Sep 88

[Excerpt] The provincial Organization Commission recently held a provincial conference on work of controlling authorized size of government staff, discussing and exploring how to strengthen macroscopic control over authorized size of government bodies under the new situation and how to establish a mechanism of keeping state administrative organs within the authorized size of their staff. [passage omitted]

The meeting noted: The old concept concerning our work of controlling authorized size of government staff must be changed and macroscopic control over the work strengthened in the general interests of reform. The authorized size of government bodies must be strictly controlled before their structure is reformed so as not to erect fresh roadblocks in the way of reform. Meanwhile, fact-finding surveys on restructuring government organs above the county level must be continued.

### Southwest Region

**Guizhou Establishes Consultative Committee**  
HK1309042488 Guiyang Guizhou Provincial Service  
in Mandarin 2300 GMT 12 Sep 88

[Excerpt] The Guizhou provincial people's government is to make its policy decisions more democratic and scientific.

Governor Wang Chaowen yesterday issued letters of appointment to 39 experts, academics, research fellows, and veteran comrades to join the Provincial Economic and Social Development Consultant Services Committee. The committee is a policy decision consultative organ under the provincial people's government. Its

major task will be to expound and prove, in different ways, strategic and comprehensive issues and projects concerning provincial general interests in the economic, scientific and technological, and social fields, and to provide different ideas and policy decisions so that the workings of the provincial government will become more democratic and scientific. [passage omitted]

**Guizhou CPC Committee Issues Rules on Work Style**  
HK1309035888 Guiyang Guizhou Provincial Service  
in Mandarin 2300 GMT Sep 88

[Excerpts] On 12 September the Guizhou provincial CPC Committee Standing Committee issued rules for trial implementation and regulations for strengthening itself and improving the work style of its members. These rules and regulations are aimed at strengthening Standing Committee systems and improving work style to strive to build the new Standing Committee into a strong core of leadership which can implement the spirit of the 13th CPC National Congress in an all-around way, and lead provincial people of all nationalities to work hard in unity. The work rules for trial implementation clarify the powers and functions of the provincial party committee Standing Committee and the systems for meetings, examining and approving documents, and relating to regular party activities. They include some practical measures to improve democratic centralization. With regard to the regulations for improving work style all Standing Committee members are requested to do well in the following: 1) Integrating the central general principles and policies with Guizhou's reality and persevering in reform with pioneering efforts; 2) Adhering to the party's organization work system; 3) Being honest and upright in performing official duties; 4) Maintaining close ties with the masses within and outside the party; and 5) Receiving supervision from the party and the people of their own accord. [passage omitted]

**Tibet Leaders View Reform, Resource Issues**  
HK1309041188 Lhasa Tibet Regional Service  
in Mandarin 1130 GMT 12 Sep 88

[Excerpts] The regional party committee and people's government recently convened a meeting of leading comrades of the regional organs to listen to reports delivered by regional party committee Deputy Secretary Raidi and regional government Chairman Doje Cering on their investigation and study in Nagqu and Qamdo prefectures. [passage omitted]

The investigations showed that the agricultural production situation in these two prefectures is relatively good and the political situation there is stable. In particular, studying and implementing the spirit of Comrade Qiao Shi's speech has reassured the cadres and masses throughout the region and played an extremely important role in stabilizing and developing the political and economic situation in the region.



The investigations revealed that to develop the productive forces, invigorate Tibet's economy, and do a good job in all work, the cadres at all levels must further emancipate their minds, update their concepts, expand their vision, explore new lines of thought, and continually enhance their commodity concept. They must actively explore new paths suited to local economic development.

Tibet is rich in natural resources. How to take advantage of and use these resources is a very important question. Comrades Raidi and Doje Cering respectively studied this question wherever they went in Nagqu and Qamdo prefectures. They called on the local cadres and masses to continue to seriously study and implement Comrade Qiao Shi's instructions, emancipate their minds, develop the productive forces, act according to the local conditions, and take full advantage of local strong points in resources. They should adopt a strategic vision in promoting the exploitation and comprehensive use of natural resources and concentrate on projects that need little investment, produce quick results, yield good economic returns, and [words indistinct]. We should enhance the concept of commodity economy and do a good job in the advanced processing of animal products and medicinal herbs.

The cadres should get their brains working and actively guide the masses to discover their own strong points and take advantage of them. They should point out to the masses the best way and method for eliminating poverty and becoming well-off, to enrich the masses as soon as possible.

Deputy Secretary Raidi and Chairman Doje Cering also pointed out that at present Tibet should do a good job in deepening the reforms and promoting the ideological building of the grass-roots cadres. Enterprise reforms are underway throughout the region, but the investigation revealed that the progress of these reforms is slow, not enough has been done to delegate powers, the responsibility system is not clear enough, and equipment is aging.

Following the basic completion of the building of grass-roots political power throughout the region, the question of how to improve the quality of the grass-roots cadres, so that they will truly become leaders of the masses in developing production and commodity economy, is a very important issue. It is also a question to be examined by the organizations at all levels in the region. The organizations at all levels throughout the region must attach great importance to enterprise reforms and the training of grass-roots cadres, and especially ideological and political work. [passage omitted]

#### North Region

**Cases of Economic Crime in Beijing Increase**  
OW1309151588 Beijing XINHUA Domestic Service  
in Chinese 1659 GMT 12 Sep 88

[By Liu Dongjie, trainee reporter from the China Institute of Journalism, and reporter Wang Wei]

[Text] Beijing, 12 Sep (XINHUA)—At a meeting today of the Standing Committee of the Fourth Beijing Municipal CPPCC Committee, Liu Yunfeng, president of the

Beijing municipal Higher People's Court, said: Judging from the cases handled by courts in Beijing, economic crimes have increased sharply and rapidly.

Liu Yunfeng said: Courts in Beijing handled 1510 cases of economic crime in 1987, 89.8 percent more than in 1982, and 787 cases were handled in the 1st half of this year. Cases which increased by the largest margin dealt with corruption, accepting bribes, theft, embezzlement of government funds and properties, and profiteering. He stressed that cracking down on economic crimes is a work that requires constant efforts and we must not relent on it.

**Hebei People's Congress Meeting Ends 31 Aug**  
SK1409065588 Shijiazhuang Hebei Provincial Service  
in Mandarin 2200 GMT 31 Aug 88

[Text] After a 6-day session, the third meeting of the Seventh Provincial People's Congress Standing Committee concluded in Shijiazhuang, the capital of the province, on the afternoon of 31 August. Guo Zhi, chairman of the provincial People's Congress Standing Committee, presided over the meeting on the afternoon of 31 August and Vice Chairmen Liu Ying, Hong Yi, and Zhou Renjun were present.

During the meeting, the participating members approved by secret ballot and a show of hands some personnel changes and the decision made by the provincial People's Congress Standing Committee on carrying out inspection over law implementation.

In concluding the meeting, Comrade Guo Zhi delivered a speech on the work of popularizing the law, carrying out inspection over law implementation, and learning from the experience gained by Shandong Province.

In his speech Guo Zhi stated: Our future work emphasis in popularizing the law will still be placed on cadres at all levels and particularly on leading cadres, cadres in charge of enforcing the law, and youths. Urban areas should emphatically popularize the law among cadres of various organs; cadres, staff members, and enterprise and establishment workers; and school students. Rural areas should emphatically popularize the law among party branches, cadres of village committees, and CYL members. Efforts should be made to have family heads, young peasants, staff members and workers of town enterprises, and specialized households study the law. Various industries and trades should do a good job in studying the 10 laws and 1 regulation and deeply and thoroughly study the laws related to their own business or with local characteristics. In popularizing the law throughout the province, great attention should be paid to integrating the work with local natural conditions and with programs to comprehensively consolidate public security, improving the ideological and political work, and enhancing the building of spiritual civilization. By popularizing the law, efforts should be made to have the broad masses of cadres and the people enhance their

sense of law, know well the legal knowledge, and master the method of doing things in line with the law to enable every functional department to manage its work in line with the law and every citizen to standardize his behavior, to protect his own legal right and interest, and to boldly struggle against crimes. In his speech Comrade Guo Zhi emphatically pointed out: At present, our province often experiences the malpractices of doing things against the law, not strictly enforcing the law, not investigating cases that have violated the law, issuing orders instead of enforcing the law, and of taking advantage of power to suppress the law. We have not satisfactorily fostered the law's authority. He urged the People's Congress Standing Committees at all levels to attach great importance to inspecting law implementation. In carrying out such an inspection, it is imperative to stress practical effect, to handle problems in a down-to-earth manner, and to strictly prevent perfunctory and superficial inspection.

In concluding his speech, Comrade Guo Zhi stated: Achieving an overall harmony in developing the commodity economy in line with one core or criterion represents the concrete act of implementing the spirit of the 13th CPC Congress. He urged the People's Congress Standing Committees at all levels to learn from the experience gained by Shandong Province in achieving an overall harmony in developing the commodity economy and by earnestly following the 13th CPC Congress' spirit and the provincial party committee's arrangements, strive to exercise the power and duties given by the Constitution and the law, and coordinate with relevant departments to fully play their role of local organs of state power, to promote the development of the commodity economy and productive forces, and to ensure the smooth progress in conducting reform and opening to the outside world.

Attending the meeting on the afternoon of 31 August as observers were Zhang Runsheng, vice governor of the province; Wang Yugong, vice president of the provincial People's Court; and (Gao Wenying), deputy procurator of the provincial People's Procuratorate.

**Windstorm Injures Over 2,000 in Hebei Province**  
*OW1109110388 Beijing XINHUA Domestic Service*  
*in Chinese 1541 GMT 5 Sep 88*

[By CANGZHOU RIBAO reporter Li Jianxin and XINHUA reporter Lu Fengpo]

[Text] Shijiazhuang, 5 Sep (XINHUA)—Strong winds and hail hit Hebei's Cangzhou City on the afternoon and night of 3 September, injuring over 2,000 people; more than 20 were hospitalized for serious injuries. In addition, 525,000 mu of crops were damaged.

At about 1630 on 3 September, thick dark clouds swarmed toward Cangzhou City, and strong winds accompanied by hail hit the city and some areas in Qingxian and Cangxian Counties. Many pedestrians had

no time to take shelter, and windows which had stayed open were broken by winds and hail. Some hailstones were as big as goose eggs. The hail piled up as high as 15 centimeters in the northern suburbs of Cangzhou City. Cangzhou City itself and over 300 villages in 26 townships and towns suffered serious damage.

Currently, the Cangzhou City CPC Committee and government are organizing the masses to deal with the aftermath of the disaster.

**Inner Mongolian Leader at Husbandry Conference**  
*SK1109014388 Hohhot Inner Mongolia Regional*  
*Service in Mandarin 2200 GMT 8 Sep 88*

[Text] The regional animal husbandry work conference was held in Hohhot on the morning of 8 September. Wang Qun, secretary of the regional party committee, spoke at the conference. He pointed out: Animal husbandry is the basic production of the region's share of the national economy and thus occupies a strategic position of extreme importance. In developing animal husbandry, we should combine agriculture with animal husbandry, and effect coordinated development of agriculture, forestry, animal husbandry, and industry, rather than merely develop animal husbandry.

Comrade Wang Qun said: Since the 3d Plenary Session of the 11th Party Central Committee, our region has effected good development in animal husbandry. Over the past 10 years, the number of domestic animals has reached a record high and the commodity rate of livestock has been remarkably increased. Meanwhile, the number of livestock slaughtered has reached an annual average of 8 million, doubling the figure of 10 years ago; the output of sheep wool has doubled the figure of 10 years ago; and the output of beef and mutton has also increased by 50 percent. Over the past 10 years, the people's sense of a commodity economy has been greatly enhanced and a way to breed livestock scientifically in pens and sheds has been paved. However, the region's animal husbandry still falls far short of the demands of the party and the people and lags behind other provinces and municipalities. Major indicators are: The increase in scale of livestock has not been big, the level of the commodity rate and of breeding livestock in pens and sheds has not been high, and animal husbandry has developed rather unevenly.

Comrade Wang Qun said: Although there is a remarkable gap between our region and other provinces, our potential is very great. We have numerous grassland resources. So long as we catch sight of our achievements already made, conscientiously summarize our experiences, strengthen our confidence, and strive to tap our potential, we will be able to open vast vistas for our economic development.

Comrade Wang Qun said: Animal husbandry development plays a decisive role in achieving success during the second stage of reform, in making the people become



relatively well off, and in realizing the three short-term fighting goals recently put forth by the region. To make people become prosperous, we must [words indistinct]. To develop animal husbandry, the attention of the entire party and all people is needed.

Comrade Wang Qun said: Instead of isolating animal husbandry, we should consider animal husbandry the pillar of the entire national economy. To develop the region's animal husbandry still faster, we must plant trees and grass and raise grain; combine agriculture with animal husbandry; combine farming with breeding and processing; and make animal husbandry, industry, and commerce a coordinated process. This is the only way suitable to be practical in this situation. We should rely on genuine action to raise the commodity rate of animal husbandry to take the road of efficient animal husbandry.

Comrade Wang Qun said in conclusion: We should further emancipate our minds, and put reform at the center of all our undertakings. Party committees and governments at all levels should [words indistinct]. Without reform and firm party leadership, it will be very difficult for us to succeed. We should streamline administration, delegate powers to lower levels, and change functions. We should also mobilize a large number of cadres with skills to go to the frontline to contract projects, [words indistinct] and do service work.

Alatanaoqier, vice chairman of the region, presided over the conference held on 8 September. Attending the conference were leading comrades of regional party and government organizations, including Qian Fenyong, Zhou Rongchang, and Wen Jing; and pertinent responsible comrades of various commissions, offices, and bureaus, as well as various leagues, cities, banners, and counties.

**Li Ruihuan Addresses Tianjin Residents on Prices**  
*OW1309073988 Beijing XINHUA Domestic Service in Chinese 0051 GMT 11 Sep 88*

[By reporter Ma Jie]

[Excerpt] Tianjin, 11 Sep (XINHUA)—Principal leaders of the Tianjin municipal party committee and the municipal government went down to the grass roots a few days ago to talk with the masses and solicit their opinions on prices, reform, and problems in the people's everyday life; the municipal leaders took action on the spot to solve some of the problems.

On 5 September, Li Ruihuan, secretary of the municipal party committee and mayor, and officials from relevant municipal departments visited a new residential building in Wangdingdi and attended discussions with some 20 representatives.

A representative told Li Ruihuan about the recent trend of panic buying which has created anxiety among the people. The mayor promptly assured the representatives

that the municipal people's government will do everything possible to control prices and ensure a stable market supply. He also announced an advance sale plan of all high grade durable consumer goods at current market prices, effective immediately, for municipal residents. Under the plan, goods will be delivered to consumers with receipt of advance payment, in a planned and orderly manner, according to the production situation at the factories.

Another representative complained to Li Ruihuan about gas station personnel. These personnel, while installing gas in a residential building, asked for meals and indulged themselves in food and drink. Li Ruihuan immediately instructed the department concerned to investigate and duly handle the case, to compensate the residents, dismiss the personnel, and criticize the latter in the press as deemed necessary. As for the problem of evening power outages, of which the residents were rather critical, Li Ruihuan instructed the Electric Power Bureau to ensure power supply in the evening. The deputy director of the bureau immediately released his home phone number, as well as that of the bureau duty office, for the residents. [passage omitted on dialogue by vice mayors with the masses on 8 September]

## Northeast Region

### Heilongjiang's Leader Attends Provincial Forums

**Talks With Organizational Workers**  
*SK1209025988 Harbin Heilongjiang Provincial Service in Mandarin 0900 GMT 7 Sep 88*

[Text] This afternoon, all participants in the provincial organizational work conference held talks with Sun Weiben, secretary of the provincial party committee; Zhou Wenhua and Wang Haiyan, deputy secretaries of the provincial party committee; and Ma Guoliang and Xie Yong, members of the Standing Committee of the provincial party committee on issues concerning strictly administering the party, and party and government cadres performing their official duties honestly.

They maintained: The work of strictly administering the party and cadre personnel-structural reform should be attended to by the whole party. The provincial organizational work conference set forth key questions concerning strictly administering the party and reforming the cadre personnel structure. These questions are extremely tough. For example, eliminating decayed elements from the party, dealing with unqualified party members, exchanging cadres, and readjusting incompetent cadres are tasks with different degrees of difficulties. It will be impossible to fulfill these tasks if we only rely on organizational departments. Party committees at various levels should engage themselves to the work and relevant departments should closely cooperate with party committees. Particularly, party and government organs as well as party-member leading cadres should play an exemplary role in solving problems especially



with regard to strictly administering the party and dishonestly performing official duties. First, they should take the lead in solving problems related to themselves to set an example for party members and cadres. Second, they should take the lead in solving the problems related to party-member cadres on the principle of not avoiding contradictions, not being a benign and uncontentious person, and being brave to handle affairs justly.

They also maintained that appraising party members, eliminating decayed elements from the party, and dealing with unqualified party members should organically be linked with each other.

Some comrades suggested: Appraising party members should be carried out routinely. Excerpt for the units that appraise party members on a trial basis and the units where the work has been comprehensively carried out, other units are not allowed to carry out the work in the next 2 years. After the work of concentratively dealing with unqualified party members is basically finished, these units should shift their concentration onto the work of appraising party members. By so doing we can not only avoid work repetition but also ensure the quality of dealing with unqualified party members.

Sun Weiben, secretary of the provincial party committee, made a speech at the forum.

He said: First, we must have confidence in solving the problems concerning strictly administering the party and being honest in performing official duties. Leading bodies should take the lead in this work. The Standing Committee of the provincial party committee should ensure its own justice and honesty. Leading bodies at various levels should define several rules for themselves and make them public. The (Taoshan) forestry bureau's experiences in this regard are very convincing.

Sun Weiben said: We should strive to set up and publicize systems to solve problems concerning strictly administering the party and honestly performing official duties to stop ways for practicing unhealthy practices. For example, the procedures for promoting cadres should be publicized. The more the procedures are publicized the better the situation will be. It is also necessary to set up a system of conditioning each other to avoid the practices that all things are decided by a person.

With regard to the standards for promoting cadres, Sun Weiben said: In promoting cadres, we should first judge whether or not he is honest in performing his official duties. This is a requirement of primary importance and a key to ensuring the ranks of cadres become younger in their average age, more revolutionary, better educated, and more professionally competent. Never are we allowed to promote to leading posts those who are not honest in performing their official duties.

#### **Addresses Court Work Conference**

*SK1009120688 Harbin Heilongjiang Provincial Service in Mandarin 2100 GMT 8 Sep 88*

[Text] Heilongjiang Province held its 13th court work conference on 8 September. Sun Weiben, secretary of the provincial party committee, delivered a speech at the conference in which he stressed that enhancing the building of legal systems represents the guarantee of establishing a new order of socialist commodity economy. The People's Court should safeguard the authority of law and enforce the law strictly.

In his speech, Sun Weiben stated: Our leading organs and cadres, enterprises, establishments, and units cannot get down from their high horse in economic activities and lawsuit procedure by stressing their official rank and duties, suppressing their subordinate units by means of their authority, and taking advantage of power to suppress the law. Some who have been defendants obstinately refuse to admit their error. Such a phenomenon in which these organs and cadres are short of the concept of the commodity economy and legal systems must be improved.

In his speech, Sun Weiben pointed out: No one is allowed to employ tricks to turn the economic crimes of embezzlement and bribes into work faults and malpractices.

Sun Weiben stated: Some localities and departments often experience the phenomenon of issuing an order instead of enforcing the law and taking advantage of power to suppress the law. A more prominent problem is that one-third of the court decisions and rulings cannot be implemented. According to court statistics, more than 10,000 court decisions concerning economic and civil crimes throughout the province cannot be implemented. The legal right and interest of the victims in these cases cannot be protected. Such a phenomenon is very abnormal.

In his speech, he emphatically pointed out: In exercising its leadership, the party should dominate its leadership over policies and principles. The party committee is no longer to examine or approve cases, and by no means should it issue an order instead of enforcing the law and take advantage of power to suppress the law.

#### **Presides at Rural Development Meeting**

*SK1009111588 Harbin Heilongjiang Provincial Service in Mandarin 0900 GMT 9 Sep 88*

[Text] On the afternoon of 8 September, the provincial party committee held its 13th Standing Committee meeting to discuss specific policies for rural development. Comrade Sun Weiben presided over the meeting.

The meeting heard a report given by the provincial agricultural office on the specific policies for rural development and discussed and adopted in principle the specific policies mentioned in the report, such as the grain purchase and marketing structural reform, hog production, prices of agricultural capital goods, and

reducing the peasants' burden. These policies will be promulgated for implementation by the lower levels after they have been supplemented and revised.

Regarding the grain purchase and marketing structural reform, the meeting stressed: When purchasing grain this year, all levels are forbidden to set unreasonably high targets or increase the quotas at each level or to arbitrarily increase the base figure of contract grain purchase.

Regarding the reform of the hog purchase structure, the meeting stressed: It is necessary to relax control over hog operations. The signing of hog purchasing contracts should be conducted on a voluntary basis, and preferential policies should be implemented among hog raisers. Commercial departments at all levels should include on their agenda the work of optimizing the labor associations of food companies, should set the work posts and staff sizes in line with the tasks of the food companies, and should allow surplus personnel to retain their posts but leave their units to engage in tertiary industry.

Regarding the prices of agricultural capital goods, the meeting stressed: Other than low-price chemical fertilizers, the prices of all varieties of agricultural capital goods should be fixed. Unified purchasing and selling prices should be announced and placed under public supervision. Agricultural capital goods should be planned and managed in a unified way. It is impermissible for various quarters to have a hand in the business or to resell them at higher prices. It is necessary to raise the production capacity of agricultural capital goods and make early arrangements for foreign exchange that will be necessary next year for the localities to import chemical fertilizers.

Regarding reducing the peasants' burden, at the end of this year, we should conscientiously sort out the problems of arbitrarily collecting unjustified financial levies in an effort to realistically reduce the peasants' burden. In addition, we should actively develop township enterprises and strive to make all villages engage in industries.

The meeting also stressed: It is necessary to arrange for the peoples' livelihood in disaster areas as soon as possible and guard against giving arbitrary orders in grain and hog purchase and in collecting retention funds.

**Liaoning's Quan Shuren Speaks on Teachers' Day**  
*SK1109071488 Shenyang Liaoning Provincial Service in Mandarin 2200 GMT 10 Sep 88*

[Text] On the evening of 10 September, Quan Shuren, secretary of the provincial party committee, gave a speech on radio and television to extend festive greetings to the broad masses of teachers and educational workers throughout the province and to thank them for their lofty and selfless dedication and their great contributions.

Quan Shuren said: Our province's current undertakings in education still lag far behind the demands of development of the four modernizations. We must now consider elementary education as the focus of all educational work, concentrate efforts on successfully conducting elementary education, and reform and strengthen higher education.

In the future, governments at various levels must increase educational funds each year. In addition, they must raise funds through various channels; advocate and encourage the practice of relying on social efforts to run schools with collective funds, to support school operations, and to run schools with private funds; and strive to basically solve the problem of dilapidated primary and middle school buildings in 1 or 2 years and solve the problem of the two-shift teaching system in urban primary schools in 2 or 3 years.

Quan Shuren called on the party committees and governments at various levels to help teachers solve some practical problems in a realistic manner, try by all possible means to get rid of their trouble back at home, and enable them to work wholeheartedly. He also hoped that the broad masses of teachers would withstand the test during the critical moment of reform and would work with one heart and one mind with the party to overcome difficulties. He encouraged them to study hard, to make progress with vigorous efforts, to impart knowledge and educate the people, to set examples for others, and not to disappoint the heavy trust given by the party and the people.

In his speech, Quan Shuren also stressed in particular: Continued efforts should be made to form a good social habit of respecting teachers and paying attention to education. Leading cadres at various levels should set examples for the masses; resolutely correct the unhealthy trend of belittling teachers and ignoring education; quickly investigate and seriously handle cases of attacking, humiliating, and persecuting teachers; and adopt resolute measures to stop all acts that disrupt schools' teaching and order.

**Liaoning Military Region Hires Liaison Personnel**  
*OW1409024888 Beijing XINHUA Domestic Service in Chinese 0640 GMT 12 Sep 88*

[By correspondent Zhang Guangjiu and reporter Yang Mingqing]

[Text] Shenyang, 12 Sep (XINHUA)—There are currently more than 1,000 military-civilian liaison personnel hired by the military authorities in the three northeastern provinces. They frequently provide information, conditions, and suggestions concerning military-civilian relations to units of the Shenyang Military Region in order to better strengthen relations between the military and the civilians.

Along with the increasing liveliness of reform, opening up, and the commodity economy, activities and contacts involving units of the Shenyang Military Region and the general public have been on the increase. However, because of the extensive strengthening of ties between the troops and the masses, many new conditions and issues have also surfaced. In order to promptly discover and resolve new issues, better strengthen the unity between the military and civilians, and promote mutual ties, units under Shenyang Military Region have been recruiting a group of liaison personnel for the localities. Currently, liaison personnel hired by the military authorities are posted at major stations, piers, shops, cinemas, and other public places in the northeastern region. The military authorities have issued them appointment certificates, and have convened regular meetings to listen to their reports on the latest conditions, and to study measures to improve work in this respect. Liaison personnel with appointment certificates are invested with power by the military authorities, and can even examine disciplinary matters related to military personnel in public places. According to statistics, ever since the institution of liaison personnel, the military authorities have received more than 10,000 pieces of information and over 1,000 recommendations, and these have greatly strengthened the Armed Forces.

**Shaanxi Leaders on Rewards for Successful Units**  
*HK1009030388 Xian Shaanxi Provincial Service*  
*in Mandarin 2330 GMT 9 Sep 88*

[Excerpts] Governor Hou Zongbin announced at a meeting of prefectural commissioners and mayors on 9 September: The provincial government will allocate 2 million yuan in each of the next 5 years to reward prefectures, cities, departments, and bureaus that have fulfilled their responsibility targets well. The entire bonus will be withdrawn from the leaders of these units unable to fulfill their task for the current year, and leaders of units unable to fulfill their responsibility targets for 3 successive years will be downgraded or dismissed. [passage omitted]

During the meeting, the provincial government will sign contracts for responsibility for attaining targets up to the year 1992 with the prefectural commissioners and mayors and the responsible persons of 25 major economic departments and bureaus. [passage omitted]

Hou Zongbin said at the meeting on 9 September that there are many difficulties in attaining the economic and social development goals for the next 5 years. In agriculture, we still cannot extricate ourselves from reliance on heaven for food, and it is difficult to achieve new levels in grain production. Industrial production stagnates due to electric power restrictions, and it is hard to balance the power supplies. Our finances are brittle, and it is hard to raise capital. There are many hot issues discussed by the masses, and it is hard to deal with the problems and straighten them out. We must acknowledge these difficulties, but we should certainly not passively fear them. Our task is to overcome the difficulties and clear the way to forge ahead into the teeth of the risks.

Hou Zongbin said that attaining the responsibility targets requires boldness in creating new things, consciousness of competition, bravery in pioneering, and the spirit of building a new enterprise. We cannot create a new situation by sticking to conventions or attain our goal in a steady and well-organized way. We must continue to emancipate our minds and boldly delegate powers. [passage omitted]

Provincial party committee Secretary Zhang Boxing attended the meeting and spoke. He said: Instituting management of responsibility targets is a good deed done by the provincial government for the people of Shaanxi. Once a task is set, it is necessary to firm up the responsibility. So long as this is done in a thoroughly sound way, we can accomplish the most arduous tasks.

Zhang Boxing also gave views on deepening the reforms, developing private-ownership economy, and industrial exports. Vice Governor Xu Shanlin chaired the meeting.



**Transit Trade Between Taiwan, Mainland Increases**  
*OW1309073088 Beijing XINHUA Domestic Service  
in Chinese 1150 GMT 12 Sep 88*

[Text] Hong Kong, 12 Sep (XINHUA)—According to a newspaper dispatch from Taiwan, the volume of transit trade between the two sides of the Taiwan Strait reached \$1.1 billion during the first 6 months of this year, marking an increase of 65.68 percent over the same period of 1987. The mainland exported more than \$200 million of goods to Taiwan, while about \$800 million worth of Taiwan products were shipped to the mainland in transit trade.

As seen from the transit trade between the two sides of the strait in the 1st half of this year, a large portion of the mainland products to Taiwan was Chinese medicinal herbs, accounting for 27 percent of the total value of products to Taiwan. Products from the mainland to Taiwan with the highest rate of growth were raw electrolytic copper, leather, and raw aluminum. A large portion of the Taiwan products to the mainland included yarn and cloth made of synthetic fiber, accounting for approximately 40 percent of the total amount. Products with a fairly high rate of growth included polystyrene and its polymers. Its rate of growth was as high as 3.3 times.

According to another report, the Taiwan authorities approved on 5 August the import of 50 types of farm and industrial raw materials from the mainland to Taiwan. As of 6 September, a total of 68 permits had been issued to import mainland products into Taiwan. The total amount of such products had reached \$30.71 million, including \$21 million worth of pig iron. Aluminum and coal followed pig iron. According to an estimate made by some people in Taiwan, more products like this will be imported into Taiwan within a short period.

**Taiwan Boom Conceals Dependence on West**  
*OW1209085188 Beijing in Mandarin to Taiwan  
0205 GMT 30 Aug 88*

["Rambling Talk on State Affairs" program by (Liu Yeye)]

[Excerpts] The 13th National Congress of the Kuomintang, which was held not long ago, issued a declaration entitled "The True Solution to the China Question." The declaration notes: Because of its consistent implementation of the Three Principles of the People, Taiwan—which is much smaller than the mainland in land area, population, and natural resources—has created an economic system that is attracting world attention.

We understand that over the past 20 years Taiwan's economy has truly been developing rapidly, and has reached the level of a moderately developed country. We compatriots on the mainland also heartily rejoice at the achievements Taiwan has made. We can learn from Taiwan in certain areas.

However, if we attribute Taiwan's economic boom to the Three Principles of the People, and thereby disseminate the so-called successful experience of implementing the Three Principles of the People to the mainland, this will be [word indistinct] and not quite convincing.

How has Taiwan's economy developed? Has the Three Principles of the People created a miracle? Let's make an analysis:

Taiwan's economy has truly developed very rapidly in the past 30 years. Its economic base has increased by several times, and its output value has reached \$6,000 on an average per capita basis. The reasons in general for this are first, Taiwan's own foundations; second, a favorable international environment; and third, the Taiwan authorities' timely policies. [passage omitted]

The above analysis shows that Taiwan's economic growth is based on many factors, and relevant policies are only one of them. However, we can hardly tell whether these factors include the Three Principles of the People. If we rely only on this uncertain thing and jump to the conclusion that Taiwan's economy is a miracle created by the Three Principles of the People, the question will remain unsolved.

During the 13th National Congress of the Kuomintang, Taiwan's ZHONGGUO SHIBAO [CHINA TIMES] carried a commentary noting that Taiwan has created a miracle in its economic growth in the past 30 years. However, no one in the world has regarded Taiwan's economic growth as a victory of the Three Principles of the People. When touching on Taiwan's economy, few people have related it to the Three Principles of the People.

Listeners, I have just discussed the various reasons why Taiwan's economy has developed. Of these reasons, the Three Principles of the People has played at most an auxiliary role. However, suppose we admit Taiwan's economic boom is due to its implementation of the Three Principles of the People. Let's ask how Taiwan's economic boom enhances the Three Principles of the People.

You listeners all understand that while Taiwan's economy is booming, it also faces great anxiety. First, it relies on foreign countries for capital and technology. Second, it relies on foreign countries for raw materials and product markets. In capital and technology, Taiwan relies mainly on the United States and Japan. Of the foreign capital amounting to more than \$14 billion absorbed by Taiwan, one-third is U.S. capital and one-fifth is Japanese capital. During the 34 years between 1952 and 1986, more than 2,400 technological projects were approved, of which 60 percent were from Japan, totalling over 1,500 projects.

In raw material and product markets, Taiwan relies on foreign countries even more heavily. Almost all raw materials needed by Taiwan are imported. Forty percent of Taiwan's products are exported, mainly to the United States and Japan. Because Taiwan's economy relies very heavily on foreign countries, things are getting harder and harder every day. [passage omitted]

Last year, because of domestic economic pressure and high foreign trade deficits, the United States pressed Taiwan to appreciate its currency and open its cigarette and wine market. Taiwan was unable to strike back. The cigarette and wine market, not opened in more than 30 years, was opened to the United States to cut the favorable balance of trade with the United States. Taiwan's economy relies on foreign countries so heavily that nationalism is out of the question. If you say the Three Principles of the People has caused Taiwan's economy to flourish, why has Taiwan's economy lead to just the opposite? Why is nationalism beyond Taiwan's reach? The Chinese Communists do not take a completely negative attitude toward the Three Principles of the People. The CPC fully affirms the role of Dr Sun Yat-sen's Three Principles of the People in China's modern history. In the First War of National Revolution, quite a few CPC members cooperated hand-in-hand with members of the Kuomintang, took infinite pains to carry out the Three Principles of the People and save China, and sacrificed their lives. But they are all history. Since the birth of the PRC, socialism has been practiced on the mainland. Currently, the mainland of the motherland has a powerful national defense and an independent economy, and is recognized by more than 130 countries. The Chinese nation's aspirations have never been so high. In addition, democracy and livelihood have also developed on the mainland. It may well be said that since socialism began being practiced on the mainland, some contents of the Three Principles of the People have been carried out there. In some spheres, what has been practiced on the mainland has even transcended the Three Principles of the People. Therefore, the Three Principles of the People are no longer an appropriate yardstick for measuring the reality on the mainland. [passage omitted]

Since it is fundamentally impossible to use the Three Principles of the People to reunify China, what are the prospects in Taiwan for the Three Principles of the People? Currently, the Taiwan authorities are still stubbornly taking a hostile attitude and claiming use of the Three Principles of the People to reunify China and overthrow the mainland government. Their remarks, which deceive both the people and themselves, are indeed very lamentable.

Dear listeners, Taiwan is carried away only because its economy has developed a little more. However, in a decade or two, the mainland's economy will also vigorously develop. By that time the economic gap between the mainland and Taiwan will be small. Using the Three Principles of the People will still be an empty dream. At

that time, people's belief in the Three Principles of the People will inevitably be affected. The Taiwan authorities will find the going tougher and tougher.

In my opinion, reunifying China early is better than reunifying China late. China can then implement the "one country, two systems" policy. The mainland will practice socialism, while Taiwan practices the Three Principles of the People. China's question can thus be truly solved, and the Three Principles of the People can also play its active role in Taiwan. [passage omitted]

**Fujian Province Broadcasts News for Taiwan**  
*HK0809123788 Hong Kong LIAOWANG OVERSEAS*  
*EDITION in Chinese No 34, 22 Aug 88 p 20*

[Article by Cai Guoyan [5591 0948 3533] and Wang Weizhong [3769 3555 0022]: "A News Unit in Xiamen Specializes in Serving Taiwan Compatriots"]

[Text] When night descends, the sea between Xiamen and Jinmen resounds with the vigorous and resonant music of the "Song of Our Motherland." It is the opening song for the broadcast of the Voice of the Strait broadcasting radio station aired by the Xiamen wire broadcasting station [you xian guang bo zhan 2589 4848 1639 2330 4541] for Jinmen compatriots. There are also other news units like XIAMEN CAIFENGBAO and Xiamen People's Broadcasting Station that specialize in serving Taiwan compatriots.

**Concern That Goes to the Smallest Detail [subhead]**

Jinmen always has the fame of "50 thousand folk and 50 thousand soldiers." Most of these soldiers and officers come from Taiwan, and they are far away from their relatives and now living on a lonely island. The broadcasting station runs the special program "At Your Service" for them, featuring in a 3-hour broadcasting period mainland folk songs, famous music, and popular Taiwan songs to enrich their military lives. "Whenever there is a festival, homesickness grows particularly intense." So during the spring festival, the broadcasting station broadcasts recorded festival toasts and happy new year calls from Xiamen-based officers and soldiers to their Jinmen counterparts, extending the good wishes of the mainland compatriots to them. Some of the Taiwan compatriots once stationed on Jinmen have later said that after listening to the station's programs, they deeply feel that Taiwan and the mainland are just one family. And some have not yet forgotten the names and tunes of the mainland songs they heard when they were on Jinmen.

Jinmen officers and soldiers in forward positions use caves as their camps, and they call themselves "cavemen." For the sake of their health, the broadcasting station broadcasts health news and preventive steps against disease according to the season.



The broadcasting station has been established more than 30 years, and it is the only news unit along the mainland coast that has the correct conditions to conduct a direct dialogue with the officers and soldiers on Jinmen. Over the last few years, it has directly offered Jinmen prompt information of relevant changes on the two shores of the Strait and promoted understanding. To meet the demands of the development of the Xiamen Special Economic Zone, the Xiamen City government decided to build an overpass called Gaoji between Gaoqi and Jimei. Because of construction needs, a fleet comprising 19 ships from the traffic department had to pass through a waterway east of Xiamen. Between 27 April and 2 May this year, the broadcasting station broadcast twice each night the "sailing notice" issued by the office for the Xiamen Gaoji overpass, specifically informing Jinmen's officers and soldiers the sailing time, the names of the construction ships, and their identification signals, and thus provided them with foreknowledge of the sailings. When Fujian Province carried out forestation by air, the broadcasting station also broadcast this news and eliminated unnecessary misunderstandings from Jinmen.

**As a Message "Transmitting Belt" Between the Shores**  
[subhead]

In the decades of separation resulting from the cutting off between the two shores, some people have not sent a single word or message and their whereabouts are unknown. This situation motivated the editors of XIAMEN CAIFENGBAO to make a wish: Let their paper be a message "transmitting belt" between the shores to help the compatriots between the shores find their relatives or learn about their present living conditions. With such a wish, XIAMEN CAIFENGBAO used a quarter of a page to carry a "Seeking Missing Persons" section. Wang Shengyi, who had a younger brother who went to Taiwan more than 40 years ago and since then had lost contact with him, now old and ailing, hoped to see his younger brother once again before he died. XIAMEN CAIFENGBAO, which issues 39 overseas editions, printed the old man's wish in "Seeking Missing Persons" section. Soon afterward his younger brother sent someone to Xiamen to visit him. When Wang Shengyi learned the news of his younger brother, he was so overjoyed that he could not help bursting profusely into tears.

Since people in Taiwan are eager to learn about their relatives on the mainland, the XIAMEN CAIFENGBAO is giving detailed presentations in the special column "Readers Bring Out the Theme." Eighty-four-year old Zhang Shengcai, a former major general, was once a Shanghai district group leader of the Kuomintang [KMJT] Investigation and Statistics Bureau of the Military Commission. His overseas relatives thought he had already passed away. Because of this, XIAMEN CAIFENGBAO ran a special interview entitled "Zhang Shengcai's Recent Life," complete with a picture of Mr Zhang, radiant with laughter. The interview described the old man as still energetic and sharp in mind, and still a member of Fujian Provincial CPPCC Committee and the Fujian Provincial

Committee of the KMT Revolutionary Committee. The old man often goes to "Trinity Church" on Gulangyu for religious service. He is spending his remaining years in happiness. Another case: Nanhua County of Yunnan Province, the native village of the former commander of the Jinmen Defense Department, Zhao Wanfu. Last year, this Xiamen newspaper ran an article entitled "Beautiful Is the Native Village of the Jinmen Commander, There Yearning After Her Son Is His Old Mother," introducing the prosperity of Nanhua County and reporting on the recent lives of Zhao Wanfu's 82-year-old mother and his son, Zhao Xien. Although over 80 years old, the elderly Mrs Zhao walks without the help of a walking stick, and she displays a clear mind in conversation. With deep feeling, she told the reporter: "I shall die in peace if I can set my eyes on my son one last time...." The article was published with a picture of Mrs Zhao sitting in front of her own house door, with the caption: "Affectionate mother sitting in front of the door, day and night she waits for her son's return." All this was done in the hope that Mr Zhao Wanfu might read the article on the other shore and catch a view of his old mother from the picture.

XIAMEN CAIFENGBAO is deeply welcomed by Taiwan and other compatriots. Mr Chen, who once worked in the KMT Investigation and Statistics Bureau of the Military Commission and now resides in the United States, often goes to a friend's home to leaf through XIAMEN CAIFENGBAO to learn about the conditions of his native home, Xiamen. When his friend learned that he would like to subscribe to the newspaper but was afraid to do so, the friend wrote a subscription letter for him, relating his longing for his native place and supplied Mr Chen's address to the newspaper. Very soon afterward the newspaper started sending him regular issues. Mr Chen was deeply touched. He was glad his native home had not forgotten him.

**The Concerns of Taiwan Compatriots Are the Concerns of Our News Units**  
[subhead]

Since the Taiwan authorities have permitted Taiwan compatriots to go to the mainland to visit their relatives, many Taiwan compatriots have come to Xiamen to look for their relatives. Since the period they can stay is limited and since they are eager to discover the whereabouts of their relatives, they all appeal for help from the People's Broadcasting Station. Their concerns are the Station's concern. Not only does the Station insert "Seeking Missing Persons" advertisements during their broadcasts from time to time, but it also directly assists Taiwan compatriots to look for their relatives.

On this past New Year's Eve, Mr Lai arrived in Xiamen from Taipei. He was here at his mother's bidding to find his uncle, but all he had was a fragmentary address. He was on a group tour and his stay in Xiamen was short. After spending a whole day hunting for his uncle without success, he came to the station to ask for help. The station interrupted the program to broadcast a "Seeking Missing Persons" advertisement, and at the same time



made inquiries to the public security department, from which it was learned that a person bearing a name identical to his uncle's was now residing in Fuzhou. The Station's editors then engaged in a "pursuit attack," telephoning right away to the Fuzhou City People's Broadcasting Station for help. The Fuzhou Station immediately dispatched a reporter on a motorbike to look for Mr Lai's uncle around the several streets whose names resembled those provided by Mr. Lai. He failed to find his uncle, and at this point Mr Lai began to lose confidence.

It was at this point that an old man residing in Xiagang told Xiamen Station that he had known an old worker working in a coal shop and that his name was identical to

Mr Lai's uncle. Xiamen Station at once called the fuel station, the department in charge of the coal shop. Its reply: Mr Lai's uncle has retired. He is living around Meirengong in Xiamen City. The program host and a reporter then went to the reported address and interviewed the neighborhood committee there. It was finally discovered that Mr Lai's uncle did live there, but that regrettably he had passed away. Saddness was written all over Mr Lai's face. But when he heard that his uncle was survived by his wife and children, he immediately went to see them. Mr Lai kept praising the enthusiastic help rendered by the station. He kept saying: "I was deeply touched. The people of the mainland are all graced with so much humanity!"

**Radio Commentary on Zhao Ziyang's Status, Rift**  
*OW1309064388 Taipei International Service*  
*in English 0200 GMT 13 Sep 88*

[Station Commentary: "Chao Losing Control?"]

[Text] Foreign wire services reported from Peking last week that a major rift has opened up between Communist Party chief Chao Tzu-yang and the Maoist hardliners who oppose his efforts to step up the pace of the mainland's economic reforms.

Worse yet, reports quoted Teng Hsiao-ping, Communist China's paramount leader, and Chao's mentor, as saying that he would not automatically lend his support to any person in the Chinese Communist leadership. Observers interpreted Teng's remark to mean that he would back-track on support for Chao, if it became necessary.

The reports stunned Western diplomats, who have placed many hopes on Chao's efforts to turn the mainland economy toward capitalist style reforms. The thought that Chao may be losing control of the situation to Maoist hardliners is unsettling, to say the least, say the diplomats.

The rift between Chao and party hardliners broke wide open during last month's annual summer meetings at Peitaiho. Apparently, Chao and his reform opponents traded barbs at the meeting, prompting Teng Hsiao-ping to reconsider whether Chao would be able to maintain control over the direction of the economy and other affairs.

For his part, Chao has told Western reporters that he is, in fact, not responsible for the economy. He said he was as premier, but not as party chief. Observers took Chao's comments to be another attempt on his part to separate the party from government. They also said Chao was trying to lay the blame on Premier Li Peng, who has called for a slowdown of the reforms. Meanwhile, newspapers in Hong Kong reported that Teng had relieved Chao of his economic duties. If so, it would signal a major setback for Teng and the reform process.

Western diplomats in Peking have been surprised by the amount and scope of contradictory economic decisions emanating from party central recently. [sentence as heard] They take these as a signal of the growing disagreement in the party leadership over economic reform.

At Peitaiho, Chao was severely attacked by hardliners such as Po Yi-po and Yao Yi-lin. They blamed him for the rampant inflation, and for the widespread public discontent it has created.

According to a Hong Kong newspaper, Teng Hsiao-ping was heard to say in talks following the summer meeting that he would protect no one, and that "if the situation worsens, we will have to kill a general." That is an ancient Chinese proverb that refers to sacrificing a leader to save a strategy.

Twenty months ago, Teng was forced to place Hu Yao-pang, one of his other longtime proteges, on the political sidelines, following a spate of attacks from the Marxist hardliners. Hu was blamed for permitting student unrest in 1986-87.

A Chinese Communist Party Liaison Department spokesman has said there is nothing to all to the rumors about problems between Chao and Teng, and the hardliners. But the veracity of this denial is hard to swallow, since everybody is talking. Chao is in trouble, and it could mean, as Western diplomats fear, a derailing of the economic reforms.

**Okinawa Considered for Indirect Mainland Trade**  
*OW0909014088 Taipei CNA in English 1445 GMT*  
*8 Sep 88*

[Text] Taipei, Sept. 8 (CNA)— The Board of Foreign Trade [BOFT] and the China External Trade Development Council (CETRA) are studying a plan to use the Naha free trade zone as another transfer point for indirect trade between the two sides of the Taiwan Strait it was learned here Thursday.

A trade source said that the BOFT and CETRA are organizing an ad hoc committee to study the feasibility of using the Naha free zone as a transferring point to alleviate the jamming in Hong Kong and Singapore.

A local shipping company has recently announced it would open a Taiwan-Naha-Shanghai passenger service, a move that has drawn the attention and interest of the Japanese shipping industry, the source said.

Furthermore, some 10 big Japanese trading companies have already set up footholds at the Naha free trade zone to be used for the indirect trade.

The source said that the BOFT officials are optimistic about using the Naha free trade zone as a transfer point for trade between Taiwan and the Chinese mainland.

Local traders believed that the opening of Naha as a transfer point will not only help alleviate the jamming in Hong Kong and Singapore but also help eliminate visa discrimination by the Hong Kong authorities against ROC [Republic of China] manufacturers and traders.

**Indirect Trade Via Hong Kong Increases**  
*OW0909045088 Taipei CNA in English 0250 GMT  
9 Sep 88*

[Text] Taipei, Sept. 9 (CNA)—Two-way trade between the two sides of Taiwan Strait via Hong Kong totaled U.S. dls 1.1 billion in the first half of 1988, a 65 percent increase over 1987, according to statistics released by the Board of Foreign Trade [BOFT].

The ROC [Republic of China] exported goods worth U.S. dls 880 million and imported U.S. dls 220 million, up 67 percent and 59 percent, respectively.

The main items the ROC exported to the Chinese mainland are materials for industrial use. Synthetic yarn and textile piece goods topped the export list at 38 percent; they were followed by machinery equipment, 16 percent; electrical and electronic components and parts, 12 percent; and plastic raw materials, 10 percent.

Chinese herbs topped the list of imports from the Chinese mainland at 27 percent. They were followed by industrial and agricultural raw materials.

The ROC has imported U.S. dls 30.7 million worth of raw materials from the Chinese mainland since the government announced it would permit the import of 50 industrial and agricultural raw materials from the mainland on Aug. 5, BOFT said.

The most imported raw materials include pig iron, aluminium ingots and coal, BOFT said.

**Rewards to Defecting Mainland Military Pilots Cut**  
*HK1409102788 Hong Kong AFP in English  
1015 GMT 14 Sep 88*

[Text] Taipei, Sept 14 (AFP)—Taiwan is to slash gold rewards to defecting Chinese military pilots by an average of 64.6 per cent to quell complaints by people on this Nationalist-held island, a Cabinet source said Wednesday.

The top reward of 8,000 taels (10,640 ounces) of gold offered to a Chinese pilot who defects to Taiwan in the most advanced MiG-23 jet fighter remained unchanged, the source said.

Other gold rewards had been reduced by between 40 per cent and 83.4 per cent in the revision of the 40-year system which was approved by the Cabinet, it added.

China announced Sunday after 26 years it would no longer pay rewards in gold to Taiwan servicemen who defect to the mainland. The move was considered an effort to improve relations between Taiwan and China which were separated by a civil war which ended in 1949.

The new rates, as proposed by the defense ministry, are 4,000 taels for a MiG-21, down from the previous 7,000 taels, 3,000 taels for an Ilyushin Il-28 light bomber, down

from 6,000 taels, 2,000 taels for a MiG-19, down from 5,000 taels, 500 taels for a MiG-17, down from 3,000 taels, 300-700 taels for a helicopter, down from 500-1000 taels, and 300-500 taels for a twin-propeller aircraft, down from 500 taels.

Since 1958 the defense ministry had offered gold up to 8,000 taels to encourage defection by Chinese military pilots but recent public complaints had promoted it to review the practice.

After consultation with the National Security Council, the foreign ministry, the Government Information Office and other related offices, the defense ministry decided to keep the system with extensive modifications, the source said.

The gold reward reductions were approved also amidst strong calls by legislators headed by Huang Chu-wen from the ruling Kuomintang (KMT) to abolish the practice in order to defrost 40 years of confrontation across the Taiwan Strait and pave a way for peaceful reunification between Taipei and Beijing.

Freedom seeking should be priceless and the attraction of several million U.S. dollars in gold has confused the incentives of defectors, Mr. Huang said in a statement to the cabinet Monday.

Six warplanes have been flown to the island from the mainland and another six have landed in South Korea in defection bids.

Among the defecting pilots Sun Tien-chin received the highest reward of 7,000 taels (9,310 ounces) worth 2.9 million U.S. dollars for landing a MiG-21 near Seoul in August 1983.

The latest defector, Liu Zhiyuan, who flew a MiG-19 to a central Taiwan military airbase in November, was given 5,000 taels.

**Radio Commentary on Mainland Dissident Fang**  
*OW0809063888 Taipei International Service  
in English 0200 GMT 8 Sep 88*

[Station Commentary: "The Chinese Sakharov Speaks Out (Again)"]

[Text] Fang Li-chih, the scientist who has become known as the Sakharov of Communist China, thanks to his outspoken, dissident views, was at it again this week. This time, Fang spoke his mind in an interview with foreign journalists in Hong Kong. And did he ever speak.

Among other things, Fang told the reporters that he was convinced anti-Marxist sentiments are widespread in Communist China, especially among students and intellectuals. He said even workers are more and more turning against Marxism.



Fang asserted that what Communist China really needs, besides dropping the unpopular Marxism, is to develop multi-party democracy. Fang has often said that one party rule lies at the heart of all that ails Mainland China. He believes the first step toward democracy should be freedom of speech and the press. These are now strictly controlled by the Communist Party. Fang was a party member until January 1987, when he was booted out for speaking too candidly about the failures of Marxism in Mainland China. Fang has since said he will not rejoin, even if invited back.

Fang expressed disappointment that the formation of independent organizations, such as trade unions, was still blocked by Communist Party opposition. He seemed to envy the Solidarity Union in Poland as something Mainland China could sorely use.

Fang also touched on another of his favorite topics: the Taiwan model of development. Fang is one of the main proponents of the Taiwan economic and political models. He said that "although Taiwan's multi-party system is just getting started, at least is much better than the Chinese mainland." Fang expressed the hope that the Communist Party would see the light and adopt economic and political reforms along the lines of Taiwan's system, which he thinks is clearly the most applicable system for Mainland China to follow.

As usual, Fang did not mince words about Marxism. He called Marxism the "worst thing on Mainland China." He said he strongly believed that despite China's tradition of dynastic rule, the mainland could, nevertheless, like Taiwan, develop democratic government. He said democracy would help reduce, or eliminate, many of the mainland's ills, including rampant corruption. Fang has often said that one party rule leaves no room for government accountability with the people.

Fang told the reporters that they should not believe everything the Communist Party says. He noted the example of a party directive last year that called for the party to distance itself from the day-to-day affairs of nongovernment organizations. According to Fang, university officials did not heed that directive, and have continued to forbid the policy of separation from taking root in universities. He said the aim of scholars anyway in Communist China is to produce tools for the party.

Fang has been allowed to speak freely for the better part of a year or so now. Observers, including Fang himself, believe that Peking is trying to improve its human rights image by letting Fang go. Fang says he does not care what the reason, but that he will take advantage of the privilege to the fullest extent possible. But he always walks the fine line of Communist tolerance. And he always risks ending up like his Soviet namesake. It would be a terrible loss for the outside world if the one man allowed to speak his mind in a land of 1 billion persons gets put away.

**Envoy to Washington Comments on Ties With U.S.**  
*OW1409045088 Taipei CNA in English 0240 GMT  
14 Sep 88*

[Text] Taipei, Sept. 14 (CNA)—Substantive relations between the Republic of China [ROC] and the United States have been close and will continue to grow, former Foreign Minister Ding Mou-shih, soon to assume his new post [as] the ROC's Washington representative, said Tuesday.

Ding was speaking at a farewell party hosted in his honor by the Foreign Affairs Committee of the Legislative Yuan and the ROC-U.S. Interparliamentary Amity Association.

Ding said he will increase efforts to negotiate a resolution of the "small trade frictions" between the two countries.

Tao Jung, convener of the Legislative Yuan's Foreign Affairs Committee, said that the Yuan will work closely with Ding to promote ROC-U.S. relations. Liu Sung-fan, president of the ROC-U.S. Interparliamentary Amity Association, presented Ding with a silver plate and a set of Olympic memorial gold coins that will remind him to struggle with an "Olympic Spirit" for the nation's interests in his new post.

**Kuomintang To Increase Dialogue With Opposition**  
*OW1409044688 Taipei CNA in English 0236 GMT  
14 Sep 88*

[Text] Taipei, Sept. 14 (CNA): The Kuomintang [KMT] will increase dialogue with opposition members of the Legislative Yuan in order to make the government's policy decisions more comprehensive and better reflections of public opinion, a ranking KMT official said Tuesday.

Liang Su-jung, secretary general of the KMT Policy Coordination Committee, stressed that increasing dialogue with opposition parties is an established policy of the ruling party and that the KMT will normalize and strengthen cooperation between the Government and opposition parties.

Liang said he and his colleagues will exchange opinions on major bills being screened by the Legislative Yuan with legislators of the Young China Party and the China Democratic Socialist Party, the other two legally registered parties in the Republic of China. Their opinions will be taken into account when the Executive Yuan revises the legislation, he affirmed.

Asked if the KMT would also open a dialogue with lawmakers of the still unregistered Democratic Progressive Party [DPP], he said the KMT and the DPP have not yet set a time to begin such dialogue because the new head of DPP caucus in the legislative body has not been chosen.

Liang added, however, that once the new DPP Legislative Yuan caucus head is decided, the KMT hopes to discuss major legislation with the DPP lawmakers and to listen to their opinions.

**Premier Yu Urges Sound Agricultural Marketing**  
*OW1409042288 Taipei CNA in English 0232 GMT*  
14 Sep 88

[Text] Taichung, Central Taiwan, Sept. 14 (CNA)—Premier Yu Kuo-hua, during an inspection tour of Taichung City Tuesday, instructed the city farmers' association to improve the lives of its farmer members by establishing a sound agricultural distribution and marketing system.

Premier Yu, accompanied by Taiwan Governor Chiu Chang-huan; Fredrick F. Chien, chairman of the Council for Economic Planning and Development; Eugene

Chien, director general of the National Environmental Protection Administration, and other officials, arrived in Taichung City at 8:10 a.m. for a whirlwind visit.

After listening to a report on the affairs of the city farmers' association, Premier Yu said that in his visits to farmers' associations around the country, he had found the associations, supposed to assist to improve agricultural know-how and to establish marketing systems, have overemphasized their credit departments.

Accordingly, farmers usually feel their agricultural products sell too cheaply, while consumers feel that prices are too high for locally-grown agricultural products. Yu pointed out that Taiwan's inefficient marketing system put most profits in middlemen's pockets. This practice should be corrected, Yu stressed.

### Hong Kong

**Meeting Scheduled With SRV on 'Boat People'**  
*HK1309013388 Hong Kong SOUTH CHINA  
MORNING POST in English 13 Sep 88 pp 1, 2*

[By Simon MacKlin]

[Text] Vietnamese and Hong Kong Government officials will meet next month in London in an attempt to reach an agreement for the repatriation of the boat people.

It is understood the authorities in Hanoi have agreed a meeting should be held in Britain and it is now up to the Hong Kong Government to decide the date.

Government officials are increasingly concerned by growing unrest within the detention centres holding Vietnamese who have arrived since the screening of boat people was introduced on June 16.

There have been 13 violent incidents between rival factions at Hei Ling Chau since Friday, resulting in six people being sent to hospital.

Two men from the Erskine detention centre in Sai Kung were taken to hospital last night after being struck by stones.

Women and children living in Hei Ling Chau detention centre have asked the Correctional Services Department for extra protection following the weekend attacks.

Staff designated a special hut as a shelter for women and children who were locked inside the dormitory for their own protection at night.

Security has been stepped up in Hei Ling Chau, which holds, 2,941 boat people and from yesterday Correctional Services Department officers imposed a curfew to prevent further attacks.

Police are investigating the confrontation between people from different parts of northern Vietnam.

In last night's incident at the Erskine centre, two Vietnamese men suffered head injuries in two attacks, which police believe were connected.

The victims, both aged 27, were treated at Queen Elizabeth Hospital after being struck by stones thrown by a group of four or five men.

One was badly hurt and his condition was said to be poor, while the other was in a fair condition.

The Erskine camp, with 1,620 boat people who arrived since June 16, is administered by the police.

Representatives from two leading United States human rights pressure groups are scheduled to visit Hei Ling Chau in the next few days to inspect living conditions for the boat people.

The government has agreed to allow members of the Indochina Resource Action Centre and the powerful Washington-based lobby group, Refugees International, to visit the centre.

And the governor, Sir David Wilson, has asked two Justices of the Peace to submit by the end of the month a report on allegations that boat people in the detention centre had been assaulted by officers of the Correctional Services Department.

The government's refugee coordinator, Mr Michael Hanson, said yesterday he was "very concerned" about the violence over the weekend.

"We are trying to move quickly in order to nip the violence in the bud.

"Women and children in the camp have asked for protection and we are doing what we can to ensure their safety," he said.

Correctional Services Department staff are to carry out a full search for weapons this morning.

Additional staff have been drafted into Hei Ling Chau and patrols around the camp will be increased in order to try and prevent further attacks within the camp.

A curfew was imposed from yesterday and refugees will be locked in their dormitory huts from 10 pm until dawn.

Representatives from the local office of the United Nations High Commissioner for Refugees [UNHCR] visited the camp on Saturday and again yesterday to review the situation.

Mr Hanson said the UNHCR had backed the curfew and supported measures to step up security.

Welfare officers and other Correctional Services Department staff were trying to identify the reason for the violence.

Mr Hanson said the attacks were believed to be the result of a dispute that had developed between two factions while they were en route to Hong Kong.

Officials were looking at the possibility of segregating boat people from different parts of Vietnam so as to avoid further disputes.

The incidents had all taken place between boat people from the Haiphong and Quangling areas of northern Vietnam.

But Mr Hanson stressed all the incidents had been among the refugees and none of the attacks had been directed against staff.

The boat people are being held in Hei Ling Chau pending screening to determine if they are genuine refugees or economic migrants who will be repatriated to Vietnam.

Last month, the then acting governor, Sir David Ford, said the Hong Kong authorities would wait until there had been a "considerable reduction" in the number of boat people arriving in Hong Kong before meeting the Vietnamese authorities again to discuss repatriation.



The number of arrivals in recent weeks seems to show a reduction with none arriving since before the weekend.

A total of 9,478 have sailed into Hong Kong since June 16.

The composition of the Hong Kong team has not been decided but the political adviser, Mr Richard Clift, who leaves for Britain later this week, is expected to head it.

Hong Kong is also expected to give the authorities in Hanoi some of the results of the screening which has been partially completed for more than 1,100 Vietnamese boat people.

#### **Press Criticizes Government Policy**

OW1309111088 Beijing XINHUA in English  
0924 GMT 13 Sep 88

[Excerpts] Hong Kong, September 13 (XINHUA)—The Hong Kong Government's recent announcement to relax restrictions on Vietnamese refugees in closed centers has come under an increasing attack of local press.

The relaxation program includes allowing refugees out of closed camps for working or recreational purposes and gradually handing over the management of these camps to the United Nations high commissioner for refugees (UNHCR).

Local newspapers commented it is not suitable for the government to announce relaxed policies while its talks with Hanoi over the boat people issue are still going on. [passage omitted]

It is understood the Hanoi authorities have agreed that a meeting should be held in Britain and it is now up to the Hong Kong Government to decide the date, according to the paper.

Local papers criticized the relaxation program for reducing the impact of the screening policy adopted by the government itself, under which Vietnamese boat people, if screened out as economic emigrants, will be detained in closed camps until their repatriation.

If they are allowed out, they said, those unable to be accepted by Western countries will have an illusion about Hong Kong, thinking they will be released at last and able to settle down as Hong Kong residents, according to an editorial of "WEN WEI PO" today.

Government officials argued that job training in Hong Kong will facilitate the resettlement of Vietnamese boat people in other countries in the future and, in the meantime, reduce the government expenditure on them by an estimated 150 million H.K. dollars.

But local papers insisted that the government should take a harsher stand against the Vietnamese boat people. Since the closed camp policy can somewhat act as a deterrent, they should not be dismantled, they said.

#### **Mainland Official Comments**

HK1409010588 Hong Kong HONGKONG STANDARD  
in English 14 Sep 88 p 1

[By Yau Shing-mu]

[Text] Mr Lu Ping, deputy director of the Hong Kong and Macao Affairs Office under China's State Council said yesterday that the territory's Vietnamese refugees should be resettled before 1997.

"The Vietnamese will have no way of becoming Hong Kong residents after 1997, even if they remain here for another 70 years," he said.

And unless the matter were solved in advance by the British and Hong Kong Governments, the refugees would become a burden the Special Administrative Region (SAR) government could not entertain, he said.

Mr Lu further suggested that the Chinese central government would not share any expenses incurred by the SAR government on the refugees.

"After 1997, we'll have nothing to do with the problem," he said. "Is it not provided in the Joint Declaration that the SAR would enjoy financial independence?"

It marked the first time such a high-ranking Chinese official placed responsibility for Hong Kong's refugee population squarely on the shoulders of the United Kingdom and other countries.

Other Chinese officials confined themselves to expressing a wish for early settlement for the refugees.

The deep concern felt by the people of Hong Kong about the Vietnamese refugees was raised when Mr Lu visited three housing estates and met residents in Kowloon City.

Housewives and elderly people brought up the sensitive subject when they told Mr Lu of their strong dissatisfaction with the way the Hong Kong Government was handling the issue.

"We hope that the problem of Vietnamese refugees can be solved before 1997, otherwise it will be left to the Hong Kong SAR and become a burden to it," Mr Lu said.

The Hong Kong Government declined to comment on Mr Lu's remarks.

Acting Secretary for Security Mr Robert Upton said: "I'm not going to comment at this stage. I haven't read any report (about his statement)."

Mr Lu said accusations and charges that Hong Kong was treating the refugees inhumanely by incarcerating them in closed camps was "entirely unfair."

Hong Kong's designation as a place of first asylum was part of an international obligation and agreement.

The second and more important aspect of that agreement was the obligation it placed on other countries, the United Kingdom and the United States in particular, which had pledged permanent settlement for the refugees, he said.

"Without the second part of the international obligation, Hong Kong cannot make the agreement to be a place of first asylum work," Mr Lu said.

"The international agreement should be fully implemented. Hong Kong has done its part by allowing them in (from the high seas), the countries concerned should discharge their responsibility and resettle them all before 1997."

Asking if China would propose discussing the issue with Britain, Mr Lu said, "we haven't discussed it yet."

Nor did he indicate whether the Sino-British Joint Liaison Group would be a proper channel for such an exchange.

He also said it would difficult to say now "when asked if China would help solve the problem."

Earlier, the senior Chinese representative to the Joint Liaison Group, Ambassador Ke Zaishuo, said London could make a request through diplomatic channels, if the British Government needed any cooperation from the Chinese side.

The Hong Kong Government has appropriated \$122 million for the current year for the refugees and has spent \$900 million since 1979.

THE STANDARD has learnt that the Chinese Government had not been monitoring the refugee problem closely until little more than a year ago, when it realised the potential consequences for post-1997 Hong Kong.

One elderly person asked if the Vietnamese refugees could become Hong Kong residents after a seven-year stay.

Mr Lu replied: "According to both the Joint Declaration and the present Basic Law draft, the required length of stay of seven years should be applied to those who 'ordinarily reside in Hong Kong'."

"The refugees do not fall into this category. Even if they stayed for 70 years, they would still not qualify to be Hong Kong residents."

Several Kowloon City residents told Mr Lu the refugees should not be allowed to move freely in and out the camps.

A woman at the Oi Man Community Hall said: "We Chinese from the mainland are not let in freely from China. But the Vietnamese are accepted and provided with food and accommodation."

"The government is being very unreasonable towards our Chinese compatriots. We are more attached to them than we are to the Vietnamese."

"When you go back to Beijing, you should relay our views upwards."

Before leaving Mr Lu turned to a group of housewives and asked if they objected to letting the Vietnamese out of the camps.

Their answer was an unqualified "yes."

**Preparation Urged for Possible EEC Protectionism**  
HK1309051388 Beijing ZHONGGUO XINWEN SHE  
in Chinese 0704 GMT 9 Sep 88

[Report: "Hong Kong Should Make Preparations for a Possible Challenge by EEC Trade Protectionism, Says an Economic Researcher of the Chartered Bank"]

[Text] Hong Kong, 6 Sep [ZHONGGUO XINWEN SHE]—During an interview with our reporter, Liang Haikuo, an economic researcher of the Standard Chartered Bank, said that factory owners in Hong Kong should be prepared for the unification of the EEC in 1992 in order to face the possible challenge of the further upgrading of trade protectionism.

He said that after the unification of the EEC, regional trade will be further strengthened, foreign trade will be unified, and trade protectionism may also be strengthened.

The unification of the EEC was decided at the summit conference in Luxembourg in December 1985. By the end of 1992, the EEC will have established a unified market "having an internal boundary within which free circulation and the entry and exit of commodities, personnel, labor services and capital will be guaranteed." In the 1st half of this year, reforms on its agricultural policy, financial resource system and structural funds have made obvious progress.

Liang Haikuo pointed out that in order to adapt to this new development, a few Hong Kong factory owners have established factories to produce goods in countries such as the United Kingdom and Spain. In this way their products can be sold in the EEC. At present some Asian countries and regions have invested in the EEC. For example, South Korea has established electronic factories in Europe. It is reported that Japan shows the most active performance among the Asian countries and regions which have invested in Europe.

In the first 5 months of this years, the total volume of trade (including entrepot trade) between Hong Kong and the EEC was HK\$47.15 billion, an increase of nearly 30 percent compared with the same period last year. The total volume of trade (including entrepot trade) between Hong Kong and the EEC in 1987 was HK\$101.614 billion, 41 percent higher than 1986. In the first 5 months of this year, the total value of commodity exported from Hong Kong to the EEC amounted to HK\$17.396 billion, an increase of 17 percent compared with the same period last year; while in the same period the total value of commodity imported from the EEC to Hong Kong was HK\$19.551 billion, an increase of 23 percent.

How will Hong Kong's financial development be affected by the unification of the EEC? Liang thought that this unification will not greatly hit the financial sector of Hong Kong, but would stimulate Hong Kong's financial sector to tighten its connections with the Asia-Pacific region.

He said that the protection barriers within the EEC will be removed and competition will become fierce after the unification of the EEC. At present large banks and other financial institutions in London are making adjustments and preparations. In Japan and the United States, banks and other financial institutions are also joining the EEC market. Looking at the whole development trend, the financial business connections between Japan and the EEC will be further strengthened after the unification of the EEC; and looking at the whole world, Tokyo's status as an international financial center will also be further strengthened.

Liang Haikuo said that the overseas businesses of Hong Kong's banks are concentrated in the Asia-Pacific region, while in the next 10 years or more the economic development of this region will be outstanding, and the facilities and qualified personnel of Hong Kong's financial sector are the best in the Asia-Pacific region. Therefore, Hong Kong should further strengthen its connections with the Asia-Pacific region so that the development of Hong Kong's financial sector will only be further hastened when the unified EEC strengthens its connections with Tokyo.

**Governor Wilson on Future PRC, UK Investment**  
OW1209153588 Beijing XINHUA in English  
1313 GMT 12 Sep 88

[Text] Hong Kong, September 12 (XINHUA)—Hong Kong Governor David Wilson today expressed again his confidence in the future of Hong Kong.

Addressing a meeting of the Young Presidents' Organization (YPO) International University for Presidents [as received], the governor said that both Britain and China had invested considerable national prestige in the joint declaration—a legally binding international agreement registered with the United Nations.

"Arrangements for the future are steadily, albeit seldom dramatically, being put into place," he said.

He pointed out that Hong Kong had in the past two or three years been given its own separate status on several international bodies, where previously it was represented by the United Kingdom.

Hong Kong became a separate contracting party to the General Agreement on Tariffs and Trade in 1986 and a separate member of the Customs Cooperation Council in 1987.

Since September 1986, Hong Kong has signed its own separate air service agreements with the Dutch, Swiss and Canadian Governments.

Another important step, he said, was the publication by the Chinese Government in April of the Draft Basic Law of the Hong Kong Special Administrative Region.

"The Chinese Government has shown a welcome willingness to seek the views of the Hong Kong people on the draft basic law.

"They have committed themselves to taking these views into account before this important document is finalized in 1990," he said.

The governor also noted the private sector in Hong Kong has demonstrated considerable confidence in Hong Kong's future by investing "not only in plant and machinery, but also in many long-term multibillion dollar projects."

Notable projects include the convention and exhibition center, the second cross harbor tunnel, the Tate's Cairn tunnel and the next terminal at the container port.

These few major investments totalled over 12 billion H.K. dollars. They all had payback periods stretching well beyond 1997, he said.

**Sino-British Liaison Group To Meet 20 Sep**  
HK1309114288 Hong Kong XINHUA in English  
0734 GMT 13 Sep 88

[Text] Hong Kong, September 13 (Xinhua)—The Sino-British Joint Liaison Group (JLG) will hold its 10th meeting in London from September 20 to 23, the office of the Chinese senior representative of JLG announced here today.

Ambassador Kai Zaisuo, JLG's Chinese senior representative, and Chinese representatives Zheng Weirong, Qiao Zonghuai, Wang Jiaji and Zhang Youyun will attend the meeting.

In addition, Shi Jiuyong, legal advisor to the office of the Chinese senior representative, and other experts will also attend the meeting.

**NPC To Have Final Say on Basic Law Interpretation**  
HK0909023988 Hong Kong HONGKONG STANDARD  
in English 9 Sep 88 p 2

[Text] China has made it clear to local lawyers that the final interpretation of Hong Kong's post-1997 mini constitution will rest with the National People's Congress [NPC].

And any future recommendations by the proposed Basic Law Committee on the interpretation and amendment of the Basic Law will be subject to the NPC's approval.

The message was delivered by mainland drafters when they met 10 legal experts from the Hong Kong Bar Association, Law Society, Hong Kong University Law Faculty and the Hong Kong Branch of Justice last night.



Well-placed sources told THE STANDARD that the drafters requested lawyers to suggest all possible improvements to contentious areas in the draft law.

"It seems that they (the mainland drafters) had again passed the ball back to us to make amendments after they spelt out clearly their position and rationale on why some controversial provisions must be written in the present form," a source said.

China appears to be quite firm on these lines and would not give in, he added.

Mainland drafters said the future Basic Law is part of China's national Constitution of which interpretation rests with the NPC.

Since the NPC is the highest decision-making body in China, any recommendations by the Basic Law Committee would have no binding power.

Mainland drafters, however, said they took full note of possible anxiety among local people on the final interpretation of draft.

The formation of the first two post-1997 governments should be in line with principles to ensure there is "no change in 50 years after 1997", they said.

The Law Society is to host a seminar in two weeks on the draft.

The society will invite speakers to present both Chinese and Hong Kong arguments.

**Mainland Officials Say 'No' to More Opinion Polls**  
*HK1009063588 Hong Kong HONGKONG STANDARD in English 10 Sep 88 p 1*

[By S.Y. Wai and Fan Cheuk-wan]

[Text] Visiting Chinese officials yesterday gave an emphatic "no" to demands from local liberals for more time to collect public opinion on the political structure of post-1997 Hong Kong.

They also hinted that the liberals were delaying the drafting of the Basic Law by refusing immediate talks with their rivals about future political models.

The officials maintained there was little time left to solicit more views and it was now a matter of urgency that all sectors should compromise on a political model for the future Special Administrative Region (SAR).

Both Chinese officials and mainland drafters had firmly agreed that there should be no more delays in reaching the compromise, even though opposing forces appear to be reaching common ground for such a model.

They said the compromise model, would undoubtedly command the respect of the Basic Law Drafting Committee (BLDC), provided it generally agreed by various local sectors.

Mr Lu Ping, a deputy director of the Chinese State Council's Hong Kong and Macao Affairs Office (HKMAO), said the BLDC had to come up with a final model before its eighth plenary session to be held next January.

Speaking at the 40th anniversary celebration of the WEN WEI PAO, he said the liberals should not put off negotiations with other camps until the end of the month.

"If they (the liberals) wanted to obtain more public support before reaching a compromise, they should have done so over the past three years," Mr Lu said.

"After three years, we will have accomplished very little if we fail to submit a compromise model to the Standing Committee of the Chinese Nation People's Congress as scheduled," he said.

**Rival Camps May Hold Talks on Model for Future**  
*HK1009064988 Hong Kong SOUTH CHINA MORNING POST in English 10 Sep 88 p 2*

[By Stanley Leung]

[Text] Several members of the liberal Group of 190 have secretly approached the rival camp of businessmen to express their eagerness to reach a compromise over the post-1997 political system.

This is despite the fact that leaders of the liberal camp have refused official talks with the business Group of 81, at least in the next few weeks.

Secret contacts with individual members of the liberal group were revealed yesterday by the convener of the business lobby, Mr Vicent Lo Hong-shui.

Mr Lo criticised some leaders of the Group of 190 for employing tactics to delay a serious compromise between the two camps while time was running out.

The Chinese officials have been keeping up pressure for a compromise among Hong Kong people, otherwise they say the issue will have to be decided by the drafting committee.

On Thursday, the secretariat of the Joint Committee for Promotion of Democratic Government, the flagship of the liberal camp, turned down an official invitation from the business lobby to hold talks on the issue.

The possibility of talks will be tabled at a general meeting of the Joint Committee next month.

Mr Lo said proposers of all major political models except that of the liberals had expressed their sincerity in finding a compromise model for Hong Kong.

For instance, he said meetings with backers of two other models, the Group of 38 educationalists and Basic Law drafter Louis Cha Leung-yung will be held next week to begin talks on the thorny issue.

He said intensive discussions should be held among the different camps as soon as possible because the difficult issue is unlikely to be resolved in one or two meetings.

Mr Cha said if the people of Hong Kong do not compromise by the end of the five-month consultation period, which ends this month, he is afraid the Basic Law Drafting Committee will find its own model.

Mr Lo confirmed that several members of the liberal camp had approached members of the business lobby indicating their willingness to sit down and talk.

Against this background, he suspected that there were internal conflicts within the liberal grouping on whether to enter into talks with the business lobby.

He believes many members of the liberal camp do not have a say on the issue.

For instance, he said several outspoken leaders of the liberal camp who opposed the holding of talks might only represent a radical line in the camp.

The businessmen also challenged the existence of the Group of 190, which they said was only a loose organization. Since it was formed, he said, no general meetings had been held.

**Shanghai Seeks Closer Hong Kong Business Ties**  
*OW0809203888 Beijing XINHUA in English*  
1116 GMT 8 Sep 88

[Text] Shanghai, September 8 (XINHUA)—Shanghai's reluctance to do business with Hong Kong is changing and changing fast.

The city, China's major industrial base, hopes to take Hong Kong as its key trade partner, economists said here today.

Shanghai can serve as a base for Hong Kong in research and production while Hong Kong can be a base for Shanghai in development and marketing, they said.

The move is a dramatic shift from the overly cautious regard Shanghai business once had for Hong Kong.

The prevailing view was any high-tech cooperation between Shanghai and Hong Kong would lead to low economic returns.

And so the city looked more to forming trade relations with North America or Western Europe.

But not any more. Hong Kong is in.

Last year Shanghai exported 751 million U.S. dollars worth of goods to Hong Kong, 18 percent of the city's total exports.

Imports from Hong Kong were worth 412 million U.S. dollars, accounting for 21.2 percent of the city's total imports.

Exports to Hong Kong were up 4.2 percent in the first seven months this year; imports from Hong Kong were up 77.9 percent.

Hong Kong businessmen have invested 460 million U.S. dollars in 185 projects in the city representing 22.8 percent of Shanghai's total foreign investments.

Economists believe closer ties with Hong Kong will invigorate Shanghai's economy and provide a stepping-stone for the city's products to compete in the world market.

**Firm Begins 8 Joint Projects With Mainland**  
*OW1109135988 Beijing XINHUA Domestic Service*  
in Chinese 1452 GMT 8 Sep 88

[By RENMIN RIBAO reporter Luo Zisu and XINHUA reporter Xia Kaixuan]

[Text] Haikou, 8 Sep (XINHUA)—The Hong Kong-Macao International Investment Company, Ltd, which has registered capital of 150 million yuan in Hainan, inaugurated eight investment cooperative ventures here today. Xu Jiatun, director of the XINHUA Hong Kong Branch, and Zheng Hua, its deputy director, made a special trip from Hong Kong to attend the inaugural celebrations.

The Hong Kong-Macao International Investment Company, a major investor on Hainan, has a total of U.S.\$150 million invested on projects under construction in Hainan. The first project it has carried out on Hainan is the Macun Powerplant in Haikuo, currently the largest electrical engineering project in Hainan. It will play an important role in improving Hainan's investment climate after it is completed and put into operation in 1990. The project is contracted by the Shanghai Corporation for Economic and Technical Cooperation With Foreign Countries and the Shanghai Company for Contracting Engineering Projects With Foreign Countries. The ceremony held today was to mark the lifting off of the roof beam for the main building of the Macun powerplant and the completion and operation of the Nanyin Shoe Factory in Haikou's Hong Kong-Macao International Industrial Zone, as well

as to inaugurate or lay the cornerstones for the Hainan International Shipping Company, Ltd, the Hainan International Architects Office, and four other enterprises.

Among those present at the ceremony were Xu Shijie, secretary of the Hainan provincial party committee, Liang Xiang, governor, Huang Ju, executive vice mayor of Shanghai, and Zhang Jianhua, chairman of the Board of Directors of the Hong Kong-Macao International Investment Company.

#### XINHUA's Xu Jiatun Comments

HK1209123888 Beijing ZHONGGUO XINWEN SHE  
in Chinese 0241 GMT 9 Sep 88

[Report by Zhao Shengyu (6392 0524 3768) and Mo Chengxiong (5459 2052 7160): "Xu Jiatun: Says Hainan Has Extremely Great Potential"]

[Text] Haikou, 9 Sep (ZHONGGUO XINWEN SHE)—Xu Jiatun, director of the Hong Kong branch of XINHUA, told these two reporters here that Hong Kong investors are deeply interested in Hainan's construction but have done very little, because basic facilities in Hainan are bad and its transport, telecommunications, and power supply are still far from being able to meet investors' demands. However, Hainan's natural conditions are superior and it has abundant products. All this shows that Hainan has extremely great potential.

Xu Jiatun participated in the ceremony for assembling the main beam of the principal building of the Haikou Macun electric power plant undertaken by the Hong Kong and Macao International Investment Company Limited and the opening ceremony of the Haikou Nanyin Shoes Factory.

When asked whether more Hong Kong investors will come to make investments in Hainan after the improvement of its basic facilities, Xu Jiatun said that not only Hong Kong but overseas investors will also be attracted by Hainan. When the reporters asked whether Hainan will compete with Hong Kong after Hainan's economy has developed, Xu Jiatun replied that it is too early to talk about Hainan competing with Hong Kong.

#### Macao

**Nameslist of Basic Law Drafting Committee Members**  
OW0909135988 Beijing XINHUA Domestic Service  
in Chinese 1224 GMT 5 Sep 88

[Text] Beijing, 5 Sep (XINHUA)—Nameslist of the Committee for Drafting the Basic Law of the Macao Special Administrative Region of the PRC.

Approved by the Third Meeting of the Seventh NPC Standing Committee on 5 September 1988.

Chairman: Ji Pengfei.

Vice Chairmen: Hu Sheng, Wang Hanbin, Ma Man Kei, He Hongshen [0149 7703 8590], Lie Jieqiong (female), Qian Weichang, He Houhua [0149 0624 6985], Xue Shousheng [5641 1108 3932], Li Hou, and Zhou Ding [0719 7844].

Members (arranged in the order of the number of strokes in their surnames):

Wan Guoquan, Ma Man Kei, Wang Hanbin, Wang Shuwen, Bi Yiwen [3968 3354 2429] (female), Liu Zhuohua [0491 8743 5478], Xu Chongde [6079 1504 1795], Sun Wanzhong, Li Chengjun [2621 2052 0193], Li Hou, Li Zhongying [2621 6988 5391], Li Kang [2621 1660], Li Yumin, Xiao Weiyun [5135 5588 0061], Wu Rongke [0702 2837 1870], Wu Jianfan [0702 1696 3879], He Houhua, He Hongshen, Song Yusheng [1345 3768 3932], Chen Binhua [7115 3521 5478], Shao Tianren, Wu Lianyuan, Lin Jiajun [2651 1367 7486], Zhou Xiaochuan [0719 1420 1557], Zhou Nan, Zhou Ding, Jing Shuping, Xiang Chunyi, Zhao Runeng [6392 3067 5147], Hu Houcheng [5170 0624 6134], Hu Sheng, Ke Ping [2688 1627], Rao Buru [7437 0008 6592], Yong Longgui, Qian Weichang, Guo Fengmin, Zhu Hua (female), Ji Pengfei, Huang Hanqiang [7806 3352 1730], Cao Qizhen [2580 0366 4176] (female), Cui Deqi [1508 1795 4388], Kang Jimin [1660 0370 3046], Peng Qingyuan, Lu Ping, Lei Jieqiong (female), Liao Zeyun [1675 3419 0061], Li Zuzhi [7812 4371 2535], and Xue Shousheng.

Secretary general: Lu Ping

Deputy secretaries general: Zhu Hua (female) and Hu Houcheng

#### Officials Cited on Drafting of Basic Law

HK1009042488 Beijing XINHUA Hong Kong Service  
in Chinese 0803 GMT 6 Sep 88

[Report by reporter Luo Zhaoming (6012 3564 2494): "Macao Society Remains Stable and Its Economy Is Developing, Say Some Members of the Macao Basic Law Drafting Committee"]

[Text] Macao 6 Sep (XNA)—In an interview with this reporter, some Macao members of the Macao Basic Law Drafting Committee pointed out: New progress has been made in the Sino-Portuguese friendly relations since the initialling of the joint statement on the Macao issue by the two governments. Macao's social stability and continuous economic growth have provided favorable conditions for doing a good job in drafting the Macao Basic Law. They expressed that, the drafting of the basic law is a major event in Macao's transitional period, and all-out efforts must be exerted to fulfill this historical task.

Vice chairman of the Macao Basic Law Drafting Committee, genral executive of Macao Tourism and Amusement Company Limited, Mr Stanley Ho pointed out that, Macao's general economic situation has been fine



since the initialling of the Sino-Portuguese joint statement in mid-April 1987. We can say that prosperity is seen in all trades and business is good in every area. It is especially so with the tourist industry. A new breakthrough has been made in the number of tourists this year on the basis of 5 million in 1987. In the first 5 months of this year, the number of tourists was 2.35 million, up by 25 percent over the same period last year. The hotel occupancy rate was above 80 percent. He said that, as far as he knows, Macao's people are enjoying peace of mind, and are full of confidence of its future. Macao's Basic Law will guarantee the implementation of the principle of "one country, two systems," and ascertain in legal terms the conception that Macao's existing social and economic systems and lifestyle will remain unchanged in 50 years after Macao is returned to China. This will be more favorable to Macao's continuous prosperity and stability. He stated that, he has lived in Macao for more than 40 years and knows it very well. He will exert his utmost to do a good job in the drafting of the Basic Law.

Vice chairman of the Macao Basic Law Drafting Committee, Macao Da Feng [1129 0023] Bank executive director and general manager, Macao Advisory Commission member He Houhua [0149 0624 6985] pointed out that, the Macao Basic Law is the grounds for implementing the principle of "one country, two systems" as well as the basis for the future development of the Macao Special Economic Region. Therefore, in drafting the basic law, it is necessary to look ahead while being meticulous, to reflect Macao's actual conditions. He said, the draft basic law of the Hong Kong Special Administrative Region is of great referential value to Macao. This is a favorable aspect. However, it must be stressed that Macao has its own peculiar conditions. In the course of drafting the Macao Basic Law, it is necessary to create a democratic atmosphere and a new situation characterized by harmonious negotiation, and to solicit opinions on a wide scope so that the Basic Law may genuinely start from Macao's actual conditions and promote its progress. He said that, Macao is small in terms of the size of its territory and population; however, it has a great cohesive strength; its human contacts are wide and human relationships close. All this is favorable to reach common understanding and will provide favorable conditions for drawing up a good Basic Law.

Macao Basic Law Drafting Committee member, board of directors president of Macao Trade Unions Association, Macao Legislative Council member Liu Zhuohua [0491 8743 5478] said that, Sino-Portuguese friendly relations have made further progress over the past year. Macao has enjoyed social stability and rather quick economic growth, with all trades developing in balance. The gross output value in 1987 was some Macao \$18

billion, with a per capital gross national product of some \$4,000. Consumption has somewhat increased. Such a situation in this transitional period is inspiring. However, people are aware of the fact that no substantial progress has been made in the solution to the localization of civil servants, the legitimation of the Chinese language, and the translation of the law into Chinese, when Macao has already entered the transitional period. There are altogether 11 years to go until the transitional period is over, and little time is left; the pace must be stepped up in this aspect. He said that, the Basic Law is closely bound up with Macao residents. It is hoped that the draft committee will be good at listening to the opinions of Macao residents from all strata, while the latter will concern themselves about the drafting of the basic law, and do a good job.

Macao Basic Law Drafting Committee member, board of directors member of the Macao Wing Hing Enterprise, Ltd, Macao Legislative Council member, Cao Qizhen [2580 0366 4176] expressed that, Macao has contributed to all her accomplishments, and she would be only too glad to do something for Macao in return. She said, should the basic law fall in line with the wish of the Macao residents, it will strengthen everyone's confidence, and promote the development of Macao's prosperity. She will do everything she can to promote this work.

Macao Basic Law Drafting Committee member, MACAO DAILY Director Li Weijun [2621 1218 0193] believed that, to do a good job in drafting the Basic Law, the most important thing is to widely solicit and to listen to the opinions of Macao residents.

**Sino-Portugal Liaison Group Holds Second Meeting**  
OW1309092388 Beijing XINHUA in English  
0857 GMT 13 Sep 88

[Text] Beijing, September 13 (XINHUA)—The Sino-Portugal joint liaison group started its second meeting here this morning.

Ambassador Kang Jimin at head of the Chinese delegation and Ambassador Simoes Coelho at head of the Portugal delegation attended the meeting.

Sources said that at the four-day meeting, both sides will continue to exchange views on questions of common concern about Macao in the transitional period.

Yesterday afternoon, Kang Jimin met with Simoes Coelho and later in the evening hosted a banquet in honor of the Portugal delegation.

The first meeting of the group was held in Lisbon between April 11 and 14, this year.

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